

**Promoting Retail to Revitalize Downtowns:
An Examination of the Business Improvement District Idea**

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Submitted to the Department of Urban Studies and Planning in
Partial Fulfillment of the Requirements for the Degree of

Master in City Planning

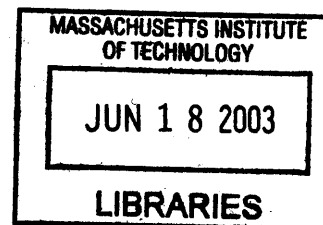
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ABSTRACT

This thesis presents pioneering research on the strategies adopted by business improvement districts (BIDs) in the United States, the United Kingdom, and Canada. The popular belief among practitioners is that where the BID approach has been adopted, downtowns have become vibrant retail destinations. However, there is no evidence to support or dispute this claim.

This study supports using retail as a strategy to revitalize downtowns. It draws on literature, personal interviews, and case studies to create a Tier-structure model for describing the role and importance of BID activities. According to this model, BIDs that progress through all three Tiers are successful in holistically revitalizing downtowns.

The model demonstrates how most BIDs undertake all Tier I and some Tier II activities, which are essential for creating and promoting downtown retail. However, very few BIDs engage in the vital Tier II activity of proactive retail development or undertake Tier III activities. Therefore, though BIDs are successful in changing both the physical environment and the negative perception of the downtown, their strategies do not always promote the retail mix required to ensure sustainability.

Drawing on these findings, the study suggests that BIDs should engage in proactive business development strategies and adopt a more rigorous evaluation system. Following these recommendations would improve the effectiveness of their activities and result in downtowns that are vibrant retail destinations.

**Thesis Supervisor: Lorlene Hoyt, Assistant Professor of Technology & Planning
Thesis Reader: Karl Seidman, Senior Lecturer**

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Contents

CHAPTER 1: INTRODUCTION	7
Downtown Retail	7
Research Questions	9
Methodology	11
Thesis Framework.....	13
 CHAPTER 2: RETAIL FROM A DOWNTOWN PERSPECTIVE	 14
Introduction.....	14
Defining Downtowns	14
Defining Retail.....	17
The Downtown-Retail Nexus	17
Evolution of Downtown Retailing.....	19
Policy Response	27
Trends and Challenges to Downtown Retailing in the 21 st Century	37
Constraints Imposed by the Behavioral Choices of Stakeholders	38
Summary	42
 CHAPTER 3: ROLE OF BUSINESS IMPROVEMENT DISTRICTS IN PROMOTING DOWNTOWN RETAIL.....	 43
Introduction.....	43
Defining BIDs	44
The Role of Retail in Promoting a Common Agenda.....	45
A Model for Positioning and Measuring BID Activities.....	47
Summary	74
 CHAPTER 4: CASE STUDIES	 75
Introduction.....	75
Analysis of the Nine Case Studies Using the Tier-Model.....	75
Summary	105
 CHAPTER 5: CONCLUSION AND RECOMMENDATIONS	 106

Why is Retail Important for Downtown Revitalization?	106
What is the Role of BIDs in Promoting Downtown Retail?.....	106
Is Their Strategy Sustainable?	107
Recommendations.....	110
Conclusion	113
WORKS CITED	114
Print and Web Sources.....	114
Personal Interviews.....	122
Websites	123
APPENDIX.....	124
Appendix A: International BID Survey	124
Appendix B: Results of the International BID Survey for Canada	131
Appendix C: BID Selection Criteria.....	134
Appendix D: Retail Questionnaire used for Interviews.....	136
Appendix E: Retail Sector Classification	140
Appendix F: Profiles of the BIDs surveyed.....	142
Appendix G: Times Square Time Line 1992-1998	152

Tables

TABLE 1: BIDS USED IN THE STUDY	12
TABLE 2: THE DIVERGENT EXPECTATIONS OF THE VARIOUS STAKEHOLDERS	46
TABLE 3: BID INVOLVEMENT IN TIER I ACTIVITIES IN THE US.....	55
TABLE 4: BID INVOLVEMENT IN TIER I ACTIVITIES IN CANADA*	55
TABLE 5: BID INVOLVEMENT IN TIER II ACTIVITIES IN THE US	60
TABLE 6: BID INVOLVEMENT IN TIER II ACTIVITIES IN CANADA	60
TABLE 7: PERCENTAGE OF BIDS IN CANADA THAT TARGET DIFFERENT CONSUMER MARKETS	67
TABLE 8: COMPARISON OF SOCIAL SERVICE ACTIVITIES	73
TABLE 9: THE ORGANIZATIONAL PROFILE OF BIDS SELECTED FOR THE CASE STUDY	77
TABLE 10: RETAIL INVOLVEMENT MEASURED BY BOARD MEMBERS AND ASSESSMENTS	78
TABLE 11: PRINCIPAL ACTIVITIES (BY PERCENTAGE BUDGET ALLOCATED)	80
TABLE 12: TIER I BUDGET ALLOCATION, TIMES SQUARE BID	81

TABLE 13: BID SECURITY PROGRAMS.....	82
TABLE 14: COMPARISON OF THE BUSINESS DEVELOPMENT STRATEGY OF THE NINE BIDS.....	84
TABLE 15: COMPARISON OF VARIOUS BUSINESS DEVELOPMENT STRATEGIES	85
TABLE 16: A SUGGESTED METHODOLOGY FOR FORMALIZING MEASUREMENT TECHNIQUES	111

Figures

FIGURE 1: SHOPPING CENTER MATURATION (1950-1975)	31
FIGURE 2: FORCES AFFECTING DOWNTOWN RETAIL.....	37
FIGURE 3: INTERLINKAGES BETWEEN THE DIVERGENT INTERESTS OF THE STAKEHOLDERS	47
FIGURE 4: A TIER-SYSTEM MODEL	48
FIGURE 5: PROCESSES THAT CREATE THE NECESSARY CONDITIONS TO INCREASE FOOTFALL	54
FIGURE 6: PROCESSES THAT CREATE BRAND AND PLACE EQUITY	59
FIGURE 7: PROCESSES THAT CREATE LONG-TERM SUSTAINABILITY	71
FIGURE 8: TIER I.....	79
FIGURE 9: TIER II	83
FIGURE 10: TIER III.....	101

Chapter 1: Introduction

DOWNTOWN RETAIL¹

“Over time, procenter-city public policy has posited that downtowns are the economic engines of the center cities, that the health of cities is critical to that of their regions, and that cities must actively pursue strategies to maintain, reinvent, and/or shore up their downtowns in order to sustain their historic positions in the national economy. Recent research has shown these assumptions to be correct.”²

Downtowns were once the regional hub of commerce, culture, and shopping.³ However, several economic, functional, political, and technological forces have challenged this position.⁴ The post-World War II period saw an enormous flight of population and retail to the suburbs, which caused a major economic and social loss to downtowns.⁵ As the wealthier people moved away, downtowns no longer remained centers of civic activity and social functions.⁶ The loss of social patronage was followed by the outward move of the department and specialty stores. This trend of economic and social disinvestment gradually affected the physical form of the downtowns as the once vibrant streets were replaced by empty lanes with deteriorating facilities, boarded-up

¹ The narrative in this section is a generalized description of the situation in the US, the UK, and Canada. Chapter 2 of this study provides greater detail about the differences and similarities in the situation of downtowns in these countries.

² Eugenie Ladner Birch, “Having a longer view on downtown living,” *Journal of the American Planning Association*, 68 (Winter 2002): 5-17.

³ For the purpose of this work, a downtown area will be taken to refer to commercial hub within the city that may or may not be the central business district.

⁴ Larry R. Ford, *Cities and Buildings: Skyscrapers, Skid Rows and Suburbs* (Baltimore, Maryland: John Hopkins University Press, 1994).

⁵ Michael A. Burayidi (ed.), *Downtowns: Revitalizing the Centers of Small Urban Communities* (New York, NY: Routledge, 2001), 1-5.

⁶ Anastasia Loukaitou-Sideris, “Revisiting Inner-City Strips: A Framework for Community and Economic Development,” *Economic Development Quarterly*, Vol. 14 No. 12 (May 2000): 165-181.

shops, and graffiti covered walls. This physical and economic decline of downtowns eventually caused the property values to decline and also eroded the tax base of the city governments.⁷

Though the deterioration of the retail structure was more pronounced in the United States, city center retailing in Canada⁸ and the United Kingdom⁹ also experienced considerable loss of revenue and clientele to the suburban shopping mall. This threat to the retailing structure in downtowns became more pervasive in the mid 1970s with the growth of "catalogue shopping," "big discounters," "category killers," and "big box retailers".¹⁰ The past decade of Internet retailing and the growing constraints of time have only added to this challenge.

In the past few decades, cash strapped city governments in North America and the United Kingdom have partnered with the private sector to undertake several types of urban renewal projects to reverse this trend of decline and decay.¹¹ The policy response between the 1920s and the 1950s was to rebuild the city center and populate it with commercial complexes that could rival the facilities of the suburban malls.¹² The response in the following decades focused on using the tourist economy to attract retailers through a variety of approaches such as the flagship destination projects, festival shopping malls, waterfront development, and mixed-use development projects.¹³ The rationale for using these pro-business or corporate center approaches was that they would have a multiplier effect on the local economy. Additionally, most of these projects were

⁷ Michael A. Pagano and Ann O'M Bowman, *Cityscapes and Capital* (Baltimore, Maryland: The John Hopkins University Press, 1995), 68-91.

⁸ "A choice between investing in Canada's cities or disinvesting in Canada's future," *TD Economics Special Report*, 22 (April 2002): 2-3, <http://www.td.com/economics/special/db_cities0402.pdf> (11 July 2002).

⁹ British Urban Regeneration Association (BURA) and the British Retail Consortium (BRC), "Retail and Regeneration – Perfect Partners?" *Conference report* (14 May 2002), 1.

¹⁰ N. David Milder, *Niche Strategies for Downtown Revitalization* (New York, NY: Downtown Research & Development Center, 1997), 1.

¹¹ Burayidi, 1-5.

¹² Roberta Brandes Gratz, "Downtown Devitalized," *Progressive Architecture* 62 (July 1981), 82.

¹³ Bernard Frieden and Lynn B. Sagalyn, *Downtown Inc., How America Rebuilds Cities* (Cambridge: MIT Press, 1989).

combined with financial incentives to attract retail investment in the downtown. Walzer and Kline show that five of the most popular economic development tools used by city governments in the United States between 1993 and 1998 were tax incremental financing district, business expansion and regulation programs, property tax abatement, low cost loans from city funds, and sales business assistance programs.¹⁴

However, most of these projects and partnerships were unsuccessful and were criticized on several grounds. From a physical standpoint, they were called isolated projects that were not adapted to the localized context of the City.¹⁵ From a fiscal viewpoint, they failed to generate the required consumer spending. Critics suggest that the reason for this was that though these strategies served to lower the cost of construction and in some cases provide an incentive for investment, they did not focus on direct revenue-generation strategies that would attract the consumer's dollars.¹⁶ Socially, these strategies failed to involve the different stakeholders in the regeneration process and were unable to mobilize an integrated vision for the downtown. This study claims that downtown management organizations such as Business Improvement Districts (BIDs) are able to address these challenges and promote a holistic strategy for downtowns.¹⁷

RESEARCH QUESTIONS

The popular belief among practitioners is that downtowns where this approach has been adopted have become vibrant retail destinations. However, an examination of the BID literature in North America and the United Kingdom shows that it focuses only on four main aspects of BIDs: their formation, activities, relationship to the municipal governance, and problems of accountability and oversight. There is no evidence to

¹⁴ Norman Walzer and Steven Kline, "An Evaluation of Approaches to Downtown Economic Revitalization" in *Downtowns*, ed. Michael Burayidi (New York, NY: Routledge, 2001), 249-274.

¹⁵ Frieden and. Sagalyn, 287-316.

¹⁶ Kirk McClure, "Managing the Growth of Retail Space," in *Downtowns: Revitalizing the centers of small urban communities*, ed. Michael A. Burayidi (New York: Routledge, 2001), 223-248.

¹⁷ These are called Business Improvement Areas in Canada and Town Center Management organizations in the UK. However, there is an ongoing effort to formalize the BID idea. Nevertheless, this study will use the naming convention of "BIDs" to refer to these downtown management organizations.

support or dispute the popular assertion. This research tests the validity of their claim by exploring the role and effectiveness of these organizations in the context of downtown retail.

The study defines BIDs as an approach in which a geographically defined majority of property owners and /or businesses agree to provide an extra services in a specific area by generating a sustainable stream of funding from the principal interests in the area.¹⁸ These services include activities such as marketing and promotion, maintenance, security, capital improvements, and economic development.

To explore the notion of BIDs and downtown retailing, the study highlights the importance of retail for the process of urban regeneration in downtowns. The argument presented is that retail and downtown economies are both agglomeration economies. Downtowns with their various social and cultural assets promote tourist-based consumer spending. Economic theory suggests that spending within the marketplace is a function of the population that can be attracted to the market.¹⁹ Accordingly, tourist spending provides potential short-term revenues for retailers. At the same time, the presence of a strong retail offer is important for attracting consumers to the downtown.²⁰ In the long term, the interaction of the commercial and consumer environment creates brand and place equity, which supports sustainable economic development.²¹

This analysis sets the context for examining the role of BIDs in promoting downtown retail. This role is examined by addressing the questions: how BID activities affect the retail economy and whether their strategies promote sustainable economic development in the long term.²²

¹⁸ This definition is adapted from Jerry Mitchell's definition of BIDs. However, some modifications have been made to generalize the sources of financing.

¹⁹ McClure, 224.

²⁰ The Henley Centre report, "Managing the retail-led development of the future" (London, UK: British Council of Shopping Centers, 2002).

²¹ Ibid..

²² Sustainability is defined here in the context of both the downtown and the organization. The study suggests that strategies promoting sustainability of downtowns automatically advance the interests of the organization.

The questions addressed by this study help to establish a framework for evaluating the role and importance of the BID idea in promoting downtown retail. This framework would be useful to the different downtown management groups, city governments and planners. For example, the government could use it as a yardstick by which to measure the effectiveness of instituting BIDs versus an alternative strategy for revitalizing downtown retail in economies. Alternatively, new BIDs could use it to prioritize their activities while existing BIDs could use it for measuring and improving the effectiveness of their activities. Moreover, as one of the few studies providing an international comparison, this research will enable a comparative analysis of BID methodology in these countries.

METHODOLOGY

This study evaluates the role of BIDs in promoting downtown retail in the United States, United Kingdom, and Canada. The approach combines an exhaustive review of available literature with primary research of nine BIDs across these three countries.

However, the absence of extensive literature and the prevalence of varied naming conventions and multiple definitions for BIDs, both domestically and globally, make it difficult to undertake an extensive quantitative analysis. Therefore, in addition to information collected through primary research, the research relies on a wide range of literature such as newspaper and journal articles, reports, and material provided on websites to provide a richer background. The primary data for the study was gathered through two methodologies.

The first level of data was collected by participating in the International BID survey being conducted by Professor Lorlene Hoyt.²³ The researcher and faculty sent out the survey in June 2002. This is the first international survey of BID and BID-like organizations. In addition to asking questions relating to background information about these organizations, the survey asks questions such as whether retail sales are a measure

²³ The researcher and Professor Lorlene Hoyt (Thesis Supervisor) designed the International BID Survey in June 2002. A copy of the Survey has been attached as Appendix A to the thesis.

of organizational performance, what activities do they undertake to promote downtown retail, what is the proportion of funds in the budget is allocated for promoting downtown retail, and what is the extent of focus on activities that relate to economic development and policy advocacy. Unfortunately, by January 2003, we had received results only for Canada and not for the UK. Therefore, only the results for Canada could be used for this work. This survey is attached as Appendix A and the results for Canadian BIDs have been attached as Appendix B.

The second level of data collection focused on identifying BIDs for this study. The cases were primarily selected according to their ability to offer insights about the activities BIDs employ to promote retail in the city center. These selection criteria are attached as Appendix C. Table 1 shows the list of organizations selected for this study.

Table 1: BIDS used in the study

United States	United Kingdom	Canada
Times Square BID, New York	Manchester City Center Management	Downtown Vancouver BIA
Alliance for Downtown, New York	CV One, Coventry	Bloor-Yorkville, Toronto
Center City District, Philadelphia	Liverpool Retail Gold Zone	Downtown Yonge Street BIA, Toronto

The information for these BIDs was collected through interviews and field visits. The interviews encompassed a wide range of people such as BID Directors, Retail Directors, Academics, and Legislative Council representatives on the board of these organizations. These interviews were conducted on phone or in person and usually lasted from about thirty minutes to an hour. In the cases where more or other information was required, follow-up interviews were carried out. Though the interviews were free-flowing and conversational, the protocol was standardized by basing the interviews on a questionnaire, which was emailed to the contact person ahead of the interview along with an informational note about the study. This Retail Questionnaire has been attached as Appendix D. Also, in order to accurately incorporate the comments of the interviewees, all the interviews were recorded with the consent of the interviewees.

Site visits were used to complement the interviews for the BIDs in the UK, as the case of the United Kingdom was more complex. The UK has a different legislative

context. In addition to this, there is an ongoing process in the UK to formalize BIDs. This makes it difficult to understand the process through secondary resources alone.

THESIS FRAMEWORK

The introductory chapter of the thesis gives an overview of the study. Chapter 2 reviews downtown retail strategies that have been traditionally used by cities in these three countries. The review focuses on demonstrating the following things: the importance of downtown retail; the relationship between national economic trends, decreasing commercial property values, flight of retail, and the formation of BIDs; and the current challenges to the downtown retail structure. Stakeholders play an important role in deciding the outcome of any strategy in the downtown. To analyze the role of these stakeholders, the study categorizes them into three interest groups – the producers, the users, and the intermediaries. This categorization facilitates a comparison of the divergent interests and goals of these groups and their effect on the process of retail revitalization.

Chapter 3 investigates the BID idea in North America and the UK. In this chapter, a Tier-structure model has been used to analyze the organizational structure and activities of BIDs. The analysis presented here investigates the principal claims of this study on how BIDs address the various challenges to downtown retailing.

Chapter 4 takes the findings of this Tier model and examines them through the lens of nine case studies in the US, the UK, and Canada. The aim is to provide a synoptic, macroscopic, and global explanation of BID practices in these countries. The findings suggest that though BIDs are successful in changing both the physical environment and the negative perception of the downtown, their strategies do not always promote the retail mix that is required to ensure the holistic development of downtowns.

Drawing on these findings and analysis, Chapter 5 discusses the advantages and disadvantages of the BIDs strategy. The chapter concludes with recommendations that BID should promote proactive business development strategies to build place equity and should place a greater emphasis on measuring performance.

Chapter 2: Retail from a Downtown Perspective

INTRODUCTION

This chapter advocates the use of retail to revitalize downtowns. The argument presented is that both retail and downtown markets are basically agglomeration economies that are complementary. Downtowns with their various social and cultural assets promote tourist-based consumer spending. At the same time, the commercial and consumer environment fostered by retail promotes an environment that is complementary to downtown's export economy.

After establishing the interlinkages between the downtown and the retail economy, the chapter reviews the policies and processes that have shaped the current form of downtown retailing. This is followed by an evaluation of the trends and challenges faced by downtown retailing in the twenty-first century. More specifically, the chapter analyzes the constraints stakeholders impose on the strategies for downtown revitalization.

DEFINING DOWNTOWNS

Planning literature suggests that there is a proliferation of definitions for the term 'downtown'. For the purpose of this work, a downtown area will refer to a commercial hub within the city that may or may not be the central business district.²⁴ Therefore, this work will use literature references to problems of the central business districts as being analogous to problems of downtowns. Additionally, authors from the United Kingdom use the term "High Street" to refer to the principal commercial areas. This term will also

²⁴ Urban Land Institute, *Downtown Development Handbook* (Urban Land Institute, Washington, D.C.: 1980), 1.

be used synonymously with the term downtown. The following section reviews the different disciplines define downtowns.

Geographic and Economic Theory

Geographers and planners use the morphological character and nodality of a place to it. Accordingly, they define downtowns as “discrete areas containing higher-order commercial and retail functions that come together to exploit accessibility and other agglomeration advantages.”²⁵

Alfred Weber first used the term agglomeration economy in the context of the downtown in 1909. Since then, urban economists and geographers have employed principles of agglomeration economies to explain the dependency of downtown businesses on each other.²⁶

Economic theorists like Christaller²⁷ and Losch²⁸ supported the hierarchical distribution of retail activity within the urban system through the economic theories such as the ‘central place theory’ and the concept of ‘bid rent’.²⁹ Christaller proposed that towns initially owed their existence to their centrality and ability to provide surrounding rural areas with a range of goods and services. Alternatively, bid rent theories propose that land use is determined primarily by the rent paying ability of the user. This theory suggests that retail and office users place more importance on centrality and accessibility and therefore bid up land prices in the central locations. This displaces other uses such as like manufacturing and housing that place less significance on agglomeration uses, suggesting that there is a natural tendency for retail to locate in the downtown.

²⁵ Richard Evans, *Regenerating town centres* (Manchester, New York: Manchester University Press, 1997), 4.

²⁶ Gunter Gad and Malcolm Matthew, “Central and Suburban Downtowns,” in *Canadian Cities in Transition*, ed. Trudi Bunting and Pierre Filion (Canada: Oxford University Press, 2000), 248-273.

²⁷ W. Christaller, *Central Places in Southern Germany*, trans. C.W. Baskin, 1966 (Englewood Cliffs, NJ: Prentice Hall, 1933).

²⁸ A. Losch, *The Economics of Location*, trans. W. Woglom (New Haven: Yale University Press, 1939).

²⁹ W. Alonso, *Location and Land Use* (Cambridge, Massachusetts, 1964), 16.

Socio-Cultural Theory

While geographers and economic theorists have stressed the agglomeration economy promoted by retail in downtowns, behavioral psychologists have reflected on the socio-cultural fabric of downtowns that makes them attractive places for consumer spending. According to them, downtowns are centers of public social life as they contain cultural assets such as libraries, museums, art galleries, public buildings and open spaces that serve as scenes for festivals and street events. Academics like Bianchini propose that these public structures and socio-cultural events offer “universal access, civic awareness and social interaction” making downtown the center of social life.³⁰ Additionally, some of their features such as squares and monuments are symbols of civic identity.³¹ According to Comedia, “town centers are barometers of public social life since they constitute neutral territory, represent cosmopolitan values and are the focus of civic identity.”³²

This research uses Evans definition that combines different academic perceptions. Accordingly, downtowns are defined as places of leisure and entertainment where retail goods are consumed and the consumers’ mutual interest in convenience and comfort maximizes turnover, leisure and shopping.³³ Therefore, the downtown environment is perceived to be the outcome of the interplay between the retailer and consumer as well as other social and economic factors.³⁴ As this definition uses retail to define the context of downtown, the following section establishes a working definition of retail.

³⁰ F. Bianchini, “The crisis of urban social life in Britain: origins of the problems and possible responses,” *Planning Practice and Research*, 5, no. 3, 4.

³¹ K. Lynch, *The Image of the City* (Cambridge, Massachusetts: MIT Press, 1960), 3-20.

³² Comedia, *Out of Hours: A Study of Economic Social and Cultural Life in twelve town centres in the UK* (London, UK: Comedia, 1991), 4.

³³ Evans, 6.

³⁴ Evans, 6.

DEFINING RETAIL

Given the proliferation in the types of retailing and its transient nature, it is difficult to come up with a holistic definition of retailing. According to Jones and Simmons, “The retail system may vary from region to region, even within a country; the age of retail stock, the land use controls, the characteristics of consumers, and the competitive structure may all differ.”³⁵

In the early nineteenth century, the retail structure was identified by its geographical location.³⁶ However, the simple structure that era has evolved into a complex industry today. To better understand the complexity of the retail industry, the retail sector is classified into six categories: Discounters or General Merchandise Stores, Super Markets, Specialty Chains, Convenience Stores, Department Stores, and Traditionals. These categories are explained in Appendix E. The term retail itself is defined as the business activity of selling goods or services to the final consumer and it includes diverse activities such as food, fashion, consumer goods, financial services, and leisure.³⁷ The following section explores the reasons for promoting a retail economy in contrast to the traditional prescriptions like infrastructure projects or the use of zoning tools.

THE DOWNTOWN-RETAIL NEXUS

Economists suggest that the cycle of employment and spending fostered by the retail industry translates into a cycle fostering sustainable economic development at the local level and has been dubbed as the “virtuous cycle of retail”³⁸ by the U.S. Department

³⁵ Ken Jones and Jim Simmons, *The Retail Environment* (London, New York: Routledge, 1990), 7.

³⁶ M.J. Proudfoot, “City Retail Structure,” in *Economic Geography* 13 (1937): 425-428.

³⁷ North American Industry Classification System Sectors: 44-45 (September 8, 2002). Available from: http://www.labor.state.ny.us/labor_market/LMI_business/facts/naics.htm.

³⁸ U.S. Department of Housing and Urban Development, *New markets: The untapped retail buying power in America's inner cities* (Washington, DC: Office of Policy Development and Research, 1999), 3.

of Housing and Urban Development [HUD].³⁹ However, the economic effect of this cycle on employment and income is not as pronounced in context of the downtown as it is in a low-income neighborhood. Nevertheless, the cycle plays a significant role in promoting the place-based economy of the downtown as it has a domino effect on other economies that generate employment and income. Therefore, though retail may not be a base for the traditional economy, it is complimentary to the export-oriented economy of the downtown. It is this location-making context of retail and its subsidiary effect on other economies that is used here to describe the economic development context of the 'virtuous cycle of retail'. A combination of these academic perceptions is reflected in the civic agenda for downtown development in the twentieth century, where a combination of retail centers like shopping malls and specialty retail establishments have often been combined with tourist attraction centers like convention malls and atrium hotels.

In addition to creating economic benefits, the economic cycle of retail creates non-economic benefits. For example, the presence of legitimate business activities acts as a deterrent to illegal activity, vandalism and crime. As people's perception of security increases, the pedestrian traffic in the area increases. This eventually leads to the increase in the diversity and variety of shopping and other non-retail functions of town centers.⁴⁰ (Chapter 3 will explore how BIDs target this perception in their activities).

The Distributive Trades Economic Development Council in the UK has done a qualitative exploration of this link. The study shows how the impact of retail on downtown may go beyond matters of competition between retailers to eventually affect the retail role of downtown.⁴¹ According to the study, "the amounts, direction and reasons for investments in shops are key factors affecting the viability of high streets, and

³⁹ Within this cycle, when businesses move into a disadvantaged neighborhood and hire local residents they increase the income of the area and thereby the spending and saving capacity of the individuals in that area. This increased buying power translates into higher demand and higher profits for the businesses in the area thus creating sustainable economic development.

⁴⁰ BDP Planning and Oxford Institute of Retail Management, *The effects of major out of town retail development: a literature review for the Department of the Environment* (London: Her Majesty's Stationary Office (HMSO), 1992), 61.

⁴¹ U.K. Distributive Trades EDC, *The future of the high street* (London: NEDO, 1988).

the structure and success of high street shopping areas depend largely on both recent investments and future expectations.”⁴²

However, it is often difficult to establish a quantitative link between retail and downtown vitality. The recent Rowntree report on “Retailing, sustainability and neighbourhood regeneration” outlines some the importance of some of these retail initiatives in regenerating and sustaining urban centers.⁴³ However, it also acknowledges that it is impossible to show absolute causality between integrated, long-term urban management and growth in rental values for the retail sector.

Despite the inability to establish the link between retail and downtown health, most academics and practitioners support the argument that promoting retail complements the downtown economy and plays an important role in revitalizing it. Accordingly, the study hypothesizes that retail is important for the downtown as it promotes the, economic, social, and cultural environment of the downtown that builds long-term place equity for the downtown.

EVOLUTION OF DOWNTOWN RETAILING

During the past century, downtowns in North America and Europe have undergone major transformations. Though most have managed to maintain their visual presence in the urban panorama, their primacy in the urban scheme has been challenged by the steady growth of out-of-town retail centers.⁴⁴ This section presents an overview of the different forces and developments that have influenced the retail structure of the downtown. The review suggests that though the global forces of change that affected the downtown in the US, the UK, and Canada were similar, the time and extent of change has been dictated by the local context of the countries.

⁴² Ibid..

⁴³ Michael Carley, Karryn Kirk, and Sarah McIntosh, *Retailing, sustainability and neighbourhood regeneration* (York, UK: Joseph Rowntree Foundation, October 2001).

⁴⁴ Anastasia Loukaitou-Sideris and Tridib Banerjee, *Urban Design Downtown: Poetics and Politics of form* (Berkeley: University of California Press, c1998), 8.

Downtowns: The Hub of the City

The evolution of the downtown has been influenced by several forces. The pre-Fordist era saw the rise and growth of the city with downtowns as the unparalleled focal point of a region's population, commerce, culture and retail. High densities, pedestrian traffic and easy access to downtown locations via mass transit, particularly the electric streetcar, increased its accessibility and importance and ensured a thriving market place.

45

The emergence of the department store in the second half of the nineteenth century boosted the social realm of the downtown. Whereas public spaces like the town square, plaza, or the common green had been the perceived geographic and symbolic centers during the nineteenth century, the department store and its surrounding commercial district became the centers of urban activity during the second half of the nineteenth century.⁴⁶

During this time, retail had a hierarchical structure, where downtowns typically occupied central locations and were points of convergence for different types of retail facilities, offices, finance and entertainment usually not found in the neighborhood shops.⁴⁷ The primary shopping magnets in these downtowns were the large department stores, which captured the imagination of downtown visitors and heightened the illusion of shared luxury among shoppers.⁴⁸ As Bath describes, "In the form of a marble palace, a cast-iron showplace, a sprawling grand depot, or a masonry castle, it emphasized dedication to the ideal of shopping as an endless delight."⁴⁹ The growth and importance of these department stores is exemplified by the case of Timothy Eaton, the father of the department store in Canada, who opened a small store in Toronto's Yonge and Queen

⁴⁵ Edward K. Muller, "Distinctive Downtown", *Geographical Magazine*, 52, no. 8: 747-755.

⁴⁶ Loukaitou-Sideris and Banerjee, 10-40.

⁴⁷ Mike Miles et al, *Real Estate Development: Principles and Process* (Washington D.C.: ULI – Urban Land Institute, 2000).

⁴⁸ Ibid.

⁴⁹ Gunther P. Barth, *City People: The Rise of Modern City Culture in Nineteenth-Century America* (Oxford: Oxford University Press, 1980), 130.

streets in 1869 and by 1930 had expanded to eight provinces, ringing up a staggering 7% of Canada's retail trade.⁵⁰

Decentralization: Retail Begins the Outward Move

This central role as the heart of the city's social and commercial center was challenged in the post-Fordist era by a series of cultural shifts that resulted in the steady decline of the economic health of the downtown. The rising use of the automobile enabled faster and better access. This reduced the demand for public transit and also enabled the middle class and businesses to move to the surrounding suburban fringe.⁵¹ The reason put forth for this trend in decentralization is that compared to the downtown, the virgin land in the suburbs was inexpensive and easy to assemble and develop, and was not plagued by problems commonly associated with downtowns such as pollution, congestion, and crime.⁵² This trend for expansion of the city limits is evident in the case of London where, while the population increased from 6.5 million in 1914 to 8.5 million in 1939 and the built-up area increased three times.⁵³ In the United States, federal homeownership subsidies like the federal mortgage insurance programs and lower down payments combined with the federal highway program played an important role in facilitating this move to the suburbs.

Shopping Malls: The Dawn of a New Era in Retail

These changes were accompanied by advances in technology and the growth of consumerism that transformed the appearance, size, and even the type of shops and played an important role in promoting the trend of suburban retailing.⁵⁴ Their most notable impact was in spurring the growth and spread of freestanding retail facilities, popularly known as the 'shopping mall' in peripheral locations. However, the time of

⁵⁰ Harold Kalman, "Crisis on Main Street," in *Reviving Main Street*, ed. Deryck Holdsworth (Toronto, Canada: University of Toronto Press in association with Heritage Canada Foundation, 1985), 3-54.

⁵¹ Burayidi, 1-4.

⁵² Ibid.

⁵³ P. Hall, *Urban and Regional Planning* (Harmondsworth: Pelican Books, 1974).

⁵⁴ Evans, 17-41.

growth of shopping malls was different for the three countries. In the United States and Canada, their development was mostly in the period immediately after the Second World War. The simultaneous building of the Dorval shopping center near Montreal and Park Royal in West Vancouver acted as a catalyst for this trend in Canada.⁵⁵ In the UK, the opening of the French chain Carrefour early 1960s signaled the birth of this retail category.⁵⁶ Commenting on the growth of the suburban shopping mall, Kalman notes that “the trend is away from the older business districts, out of supposedly inefficient, oversized, and costly facilities and into compact locations away from the center of town, with generous parking and access – or, even more radically, into the modern-age surrogate Main Street: the shopping center.”⁵⁷

New Retail Categories: Stimulate Out-Migration of Retail

In the three decades that followed, the shopping center matured into the shopping mall and eventually into newer retail categories popularly known as the ‘big box retailers’, ‘category killers’⁵⁸ and ‘discounters’.⁵⁹ The cheaper and more spacious suburban sites had a locational and environmental advantage over the downtown sites that were plagued by pollution, congestion and astronomical land prices. The 90,000 to 250,000 square feet structure was normally accompanied by a vast parking lot.⁶⁰ It had land requirements that most crowded downtowns are unable to provide.

The superior quality of the retail environment provided by these malls further fueled their growth. Their covered retail space provided protection from the elements. It was easier to maintain and clean. Moreover, the clustering of retail within the shopping

⁵⁵ Kalman, 36.

⁵⁶ John England, *Retail Impact Assessment* (London and New York: Routledge, 2000). The book traces the growth and impact of retail in the United Kingdom.

⁵⁷ Kalman, 51.

⁵⁸ According to Retail analysts, these retail forms kill off competition in their specialty and are therefore effectively able to under-cut the business of the traditional retail outlets commonly found in the downtowns. Examples include Wal-Mart, K-Mart, Target, Home Depot and Toys R Us in the United States and B&Q, and Homebase in the United Kingdom.

⁵⁹ An extensive definition of each category is provided in Appendix E.

⁶⁰ Joan Fitzgerald and Nancey Green Leigh, *Economic Revitalization* (Thousand Oaks, CA: Sage Publications, 2002), 140.

mall provided more scope for marketing and promotion. These advantages allowed these suburban shopping malls to replicate the positive aspects of the downtown and form self-sufficient suburban centers.

Downtowns: A Place to Avoid!

As retail and commerce located further away from downtown, the downtowns continued to decline. "This decline was reflected by the numerous for rent signs on store fronts, the vacant office buildings, the neglected appearance of the establishments that were still in business, and the general deterioration of downtown's urban form."⁶¹ Victor Gruen, an Austrian architect described the downtown areas of Boston and Detroit "as experiencing high vacancy rates in retail and office establishments".⁶² The downtown retail sales for the period from 1948 to 1954 authenticate this story. During this period overall retail sales were booming, but the downtown share of retailing fell by one-quarter in thirteen of the largest metropolitan areas of the United States.⁶³ Cook notes, "The central role of retail stores in downtowns declined more precipitously than any other downtown function."⁶⁴

Canada experienced the move of retail as well as public landmarks like the bank, the post office, the town hall and the government-operated liquor stores (a peculiarly Canadian institution) away from the main streets.⁶⁵ For example, in Oakville, Ontario, the old post office on Main Street was made redundant in the 1950s by a new building in another location and a new complex housing other public-service facilities and courts took away the City Hall and the remaining public institutions. In Toronto, the core retail sales as a percentage of Metropolitan Toronto declined from 43% in 1951 to 23% by

⁶¹ Loukaitou-Sideris and Banerjee, 19.

⁶² Victor Gruen, *The Heart of Our Cities; The Urban Crisis: Diagnosis and Cure* (New York: Simon & Schuster, 1964), 90.

⁶³ Frieden and Sagalyn, 1.

⁶⁴ Robert S. Cook, Jr., *Zoning for Downtown Urban Design* (Lexington, MA: Lexington Books, 1980), 6.

⁶⁵ Kalman, 31-54.

1966.⁶⁶ Retail flight from the downtown was also followed by the proliferation of problems of crime, graffiti, litter, and vandalism.

Outward Crawl: Exacerbates Urban Sprawl

As new retail forms continued to develop and prosper outside the downtown, the frontiers of suburbanization continued to expand. The seventies saw the authorities in North America dealing with the growing problems of urban sprawl. Urban sprawl, commonly defined as “low-density, land-consuming, automobile-oriented development that moves farther and farther out from the fringes of existing metropolitan centers,” had become a phenomenon comparable to postwar suburbanization in the United States and to a lesser extent in Canada.⁶⁷

According to commentators, most Canadian cities managed to fare better than their American counterparts. While regional shopping malls were popular, city centers were anchored by major department stores.⁶⁸ However, there were cases of cities like Winnipeg and Edmonton, where the American pattern of almost boundless fringe expansion and inner city abandonment was observable.⁶⁹ In Toronto, the growth of purpose-built shopping centers has had a significant impact on existing shopping areas in the older parts of the city, resulting in the decline of retail strips in the downtown.

Urban Sprawl: Inspires ‘Sprawl-Marting’

Urban sprawl also gave impetus to the phenomenon of suburban shopping malls, and was popularly dubbed as ‘sprawl-marting’.⁷⁰ The effect of these establishments on downtown retailing has also been catalogued by a number of studies. For example, a 1995 study by Kenneth Stone, an economist with the Iowa State University, showed that

⁶⁶ Gad and Matthew, 258.

⁶⁷ Roberta Brandes Gratz and Norman Mintz, *Cities Back from the Edge: New Life for Downtown* (New York, NY: John Wiley & Sons, Inc., 1998).

⁶⁸ H. J. Gayler, “The retail revolution in Britain,” *Town and Country Planning*, 58 (1989): 277-280.

⁶⁹ Christopher Leo, “Urban Development: Planning Aspirations and Political Realities,” in *Urban Policy Issues*, ed. Edmund P. Fowler and David Siegel (Ontario, Canada: Oxford University Press, 2002), 215-236.

⁷⁰ Gratz and Mintz.

ten years after the Bentonville AR discount chain entered the state, half of the men's and boy's apparel stores and 37% of the hardware stores in Iowa had closed.⁷¹ A similar study for Illinois, by Gruidl and Kline in 1992, showed that communities hosting large discount centers expanded the local trade area, generated more traffic, and captured, on average, an additional 15.25% of total sales dollars in the region, spelling disaster for downtowns in communities within twenty to thirty miles of the discount chains.⁷²

While the United Kingdom did not experience problems of urban sprawl on the same scale as the United States, it was also affected by 'sprawl-marting'. According to the Building Design Partnership and the Oxford Institute of Retail Management report "The unprecedented wave of new out-of-town developments in the late 1980s, encompassing new retail parks, large regional shopping centers and individual stores...has been followed in the early 1990s by one of the deepest and most protracted property crises since the Second World War."⁷³ The report notes that the number of shopping centers in the United Kingdom has expanded from 190 in 1972 to 950 in 1994, and the superstores and hypermarkets have increased from only 21 in 1971 to 719 in 1992. The growth pattern suggests that almost all of these establishments have been outside town centers.⁷⁴

Recent literature suggests that "sprawl-marting" still continues to be fueled by a combination of public policies and private development practices both in North America⁷⁵ and in the United Kingdom⁷⁶. Consumers also prefer these retail establishments because they offer greater merchandize selection at lower prices and

⁷¹ Kenneth E. Stone, *Competing with Retail Giants: How to Survive in the New Retail Landscape* (New York: NY: John Wiley & Sons).

⁷² John Gruidl and Steven Kline, *The Impact of Large Discount Stores on Retail Sales in Illinois Communities* (Macomb, IL: Illinois Institute for Rural Affairs 3: 2, Winter 1992).

⁷³ Building Design Partnership (BDP) and Oxford Institute of Retail Management (OXIRM), "The effect of major out of town retail development on traditional retail environments: A literature review for the Department of the Environment" (London: HMSO, 1992), 154.

⁷⁴ Ibid.

⁷⁵ Gratz and Mintz, 5.

⁷⁶ Evans, 1-10.

convenience in terms of time and parking facilities.⁷⁷ By 1990, there were 36,650 planned shopping centers in the United States, accounting for 55% of retail sales.⁷⁸ Among these centers, about 1,800 were of over 400,000 square feet and almost all were in suburban locations.⁷⁹ In the United Kingdom, the proportion of retail sales in out-of-town stores increased from under 5% to 17% between 1980 and 1991.⁸⁰ According to the House of Commons Committee report, 25% of the shopping space in the UK is now located in these suburban stores.⁸¹ Recent evidence in Canada also reflects the impact of large stores. Eade's report catalogued the effect Wal-Mart in Canada. According to this report, since Wal-Mart moved into Canada in 1994, it has acquired 30% of the Canadian store market.⁸² As a result of this move, "Many Canadian retailers failed to adjust and went out of business, while others are barely hanging on."

Constraints of Time: Result in Changing Shopping Requirements

Time-constraint has also played an important role in influencing attitudes about shopping, fragmenting it into two separate kinds of activities: one quick and efficient and the other leisurely and place-based.⁸³ The role of time in the structure of retail is visible in the drive-through windows, automatic teller machines and checkout scanner machines and in the ever-growing market for telephone and catalogue based shopping. On the other hand the leisurely and place-based approach to retailing is embodied in the huge suburban retail outlets that offer a wide variety of products, restaurants and even leisure activities. A good example is the West Edmonton Mall in Canada that combines

⁷⁷ New Jersey Office of State Planning, *Big box retail* (December 1995), 1.

⁷⁸ J Goss, "The magic of the mall: an analysis of form, function and meaning in the contemporary retail built environment," *Annals of the Association of American Geographers* 83, no. 1 (1993):18-47.

⁷⁹ C. M. Guy, "Whatever happened to regional shopping centers?" *Geography*, 79, no. 4 (1994): 293-312.

⁸⁰ BDP and OXIRM literature review, 3.

⁸¹ House of Commons Environment Committee, *Shopping Centres and their Future*, Report and Committee Proceedings Vol. 1, quoted in Richard Evans, *Regenerating town centres* (Manchester, New York: Manchester University Press, 1997), 19.

⁸² C. Eade, "Wonder Wal," *Property Week*, 5 (November 1999): 34-36.

⁸³ Rosemary D.F. Bromley and Colin J. Thomas, *Retail Change: Contemporary Issues* (London, England: University College Press, 1993), 4.

shopping with recreational activities such as an amusement park, a skating rink and a water park.

New Technologies: Create More Types of Shopping Techniques

New Technologies have introduced non-store shopping through the Internet and mail order. While the importance of shopping as a social and leisure activity cannot be underestimated, growing pressures upon time, congestion and traffic and the option of having fast and secure deliveries at home make this a potential threat. Studies suggest that from the consumers perspective the Internet offers 24-hour access, 365 days of the year and moreover it is not restricted by location. From the retailers perspective also it is profitable as the Internet reduces two of its biggest costs: rents required by premium locations and the requirement sales staff.⁸⁴ The popularity of this strategy is evident in the fact that most of the leading web sites are associated with leading suppliers/manufacturers such as Dell computers or non-store retailers such as Amazon who have become leading retailers through this strategy. Non-store shopping collectively accounted for 3-4 percent of all retail sales in the United States and is fast growing.⁸⁵

POLICY RESPONSE

The policy response to urban revitalization can be explained through several lenses. These can be categorized into two broad categories – traditional urban policy tools implemented through various federal (central government) grants and the response through revolutionary projects that become an urban policy phenomenon (and were adopted by different countries irrespective of the local context). The following section uses the second lens to understand the policy response as it provides a more generalized framework and also provides a framework for understanding the historical context that shaped Business Improvement Districts and their role in downtowns.

⁸⁴ Ken Jones, "Dynamics of the Canadian Retail Environment," *Canadian Cities in Transition*, ed. Trudi Bunting and Pierre Filion (Canada: Oxford University Press, 2000), 404-422.

⁸⁵ Miles et al., 504.

The section begins with a brief description of the legislative structure in the three countries, briefly explaining the law-making context in which planning operates in USA, Canada, and UK. This is followed by an examination of the project-based response adopted by these countries.⁸⁶

Legislative Context of Planning

The USA and the UK have a long experience of transatlantic policy exchange,⁸⁷ as also USA and Canada.⁸⁸ Similar policy initiatives like Enterprise Zones, Community Development Corporations, Urban Development Corporations, different forms of public-private cooperation, and more recently Business Improvement Districts, that have been implemented on both sides of the Atlantic.⁸⁹ However, the operational context is wholly different in these countries. It is distinguished by the scale of urban crisis in United States. Neither the United Kingdom nor Canada has had the same scale of suburban retail development as the United States.

Moreover, the legislative context in which policy operates in these countries is very different. This context influences the form, function, and effect of policy in the downtown. Based on a federal model, the fifty states of the United States are further divided into counties and incorporated cities. Each of these states has their own legislature and constitution. Planning legislation has essentially the domain of the State and local levels of government.⁹⁰ "Public policy control aimed directly at commercial development of all types in the USA traditionally has been minimal."⁹¹ However, there

⁸⁶ Only the project-based response has been analyzed here. The traditional urban policy tools have not been examined as the public-sector policy context and structure is different for the three countries and a detailed examination of this response would be beyond the scope of this work.

⁸⁷ R. Hambleton and M. Taylor (eds.), *People in Cities: A Transatlantic Policy Exchange* (United Kingdom: School for Advanced Urban Studies, University of Bristol, 1993), 1-10.

⁸⁸ England, 172-198.

⁸⁹ W. Wiewel, J. Bennington, and M. Geddes, "Comparative local economic development: Britain and the United States," *Economic Development Quarterly*, 6, no. 4 (November 1992).

⁹⁰ M. B. Teitz, "American planning in the 1990s" evaluation, debate and challenge," *Urban Studies*, 33, no. 45 (1996): 649-671.

⁹¹ J. A. Dawson and J. D. Lord (eds.), *Shopping Center Development: Policies and Prospects* (London: Croon Helm, 1995), 9.

are significant differences between southern and northern USA. In contrast, the view about urban policy delivery and implementation in the UK is that it is more “coherent, centralised, planned and directed.”⁹²

On the same side of the Atlantic, planning legislation in Canada is also provincially organized. Each province often takes its own initiatives to curb the growth of regional shopping centers. These provincial initiatives may be bolstered by federal funding to offer a more comprehensive aid package to downtown traders.⁹³ However, there are disparities in policy direction between provinces. For example, Alberta, home of the West Edmonton Mall, has chosen a generally laissez-faire attitude. On the other hand, Ontario’s Planning Act of 1983 exerts much more control and interestingly enough, the act closely resembles the system in England and Wales. The involvement of the provincial government in Ontario is apparent in the ‘fifty-fifty cost share’ program it offers BIDs to undertake streetscape improvements in their area.⁹⁴

1950s –70s: Replicate and Renew

The urban predicament of downtowns first received public attention in the 1950s, even though historical record suggests that problems associated with downtowns in the United States started in the early 1900s.⁹⁵ The UK responded in the 1960s and used theoretical models imported from USA to quantify the retailing problems of its downtowns. The urban renewal programs of this period heavily concentrated on redeveloping central business districts to counteract suburbanization of metropolitan areas.⁹⁶ These efforts involved extensive land clearance exercises by the public sector agencies through the power of eminent domain that allowed them to acquire land, evict

⁹² John Shutt, “Lessons from America in the 1990s,” *Urban Regeneration: A handbook*, ed. Peter Roberts and Hugh Sykes (London: Sage Publications and British Urban Regeneration Association, 2000), 257-280.

⁹³ A. Hallsworth, “More home thoughts from abroad,” *Town and Country Planning*, 59 (1990): 51-53.

⁹⁴ Kalman, 40.

⁹⁵ H. Chudacoff and J. Smith, *The evolution of American urban society* (Englewood Cliffs, NJ: Prentice Hall, 1994), 20.

⁹⁶ Frieden and Sagalyn, 1-20.

occupants and demolish the existing structures.⁹⁷ Commercial development became the most vital part of a downtown's revitalization strategy and the following decades saw powerful retail and commercial interests dictate the restructuring and modernization of downtowns. Eugenie Ladner Birch notes that through these projects the governments "hoped to gain a share of shopping lost to suburban malls."⁹⁸ However, academics like Teaforde criticized these efforts calling them "piecemeal and haphazard at best".⁹⁹

This desire to redevelop downtowns along the pattern of the suburban shopping malls, resulted in the proliferation and replication of 'planned' and 'unplanned' retail markets.¹⁰⁰ According to the classification used by Jones and Simmons, 'planned' centers refer to centers such as the suburban shopping malls that were "planned, functionally homogenous and the domain of retail chains" and 'unplanned' centers refer to the "older inner-city commercial areas that remained unplanned and were dominated by independent merchants." The authors note that by the mid-1970s even the shopping center developers had realized that they had created a "series of standardized, often overly sanitized, shopping environments." Jones and Simmons have mapped the resultant retail markets within downtowns, and the position of downtowns themselves, in the hierarchical structure of retail that emerged as a result of this policy response. Figure 1 illustrates this retail structure.¹⁰¹

⁹⁷ Ibid.

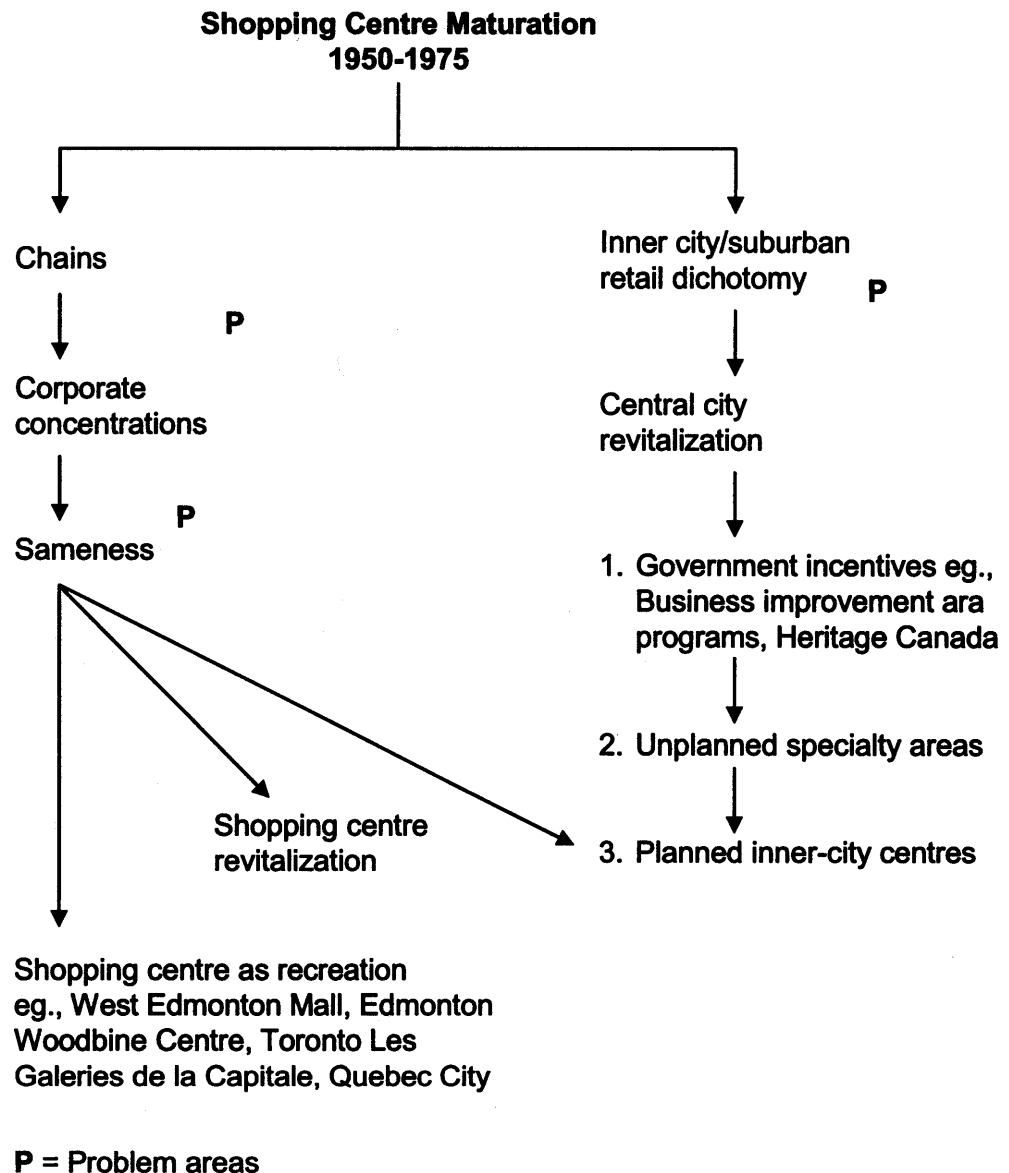
⁹⁸ Birch, 6.

⁹⁹ J Teaforde, *The rough road to renaissance: Urban Revitalization in America, 1940-1985* (Baltimore: John Hopkins University, 1990), 4.

¹⁰⁰ Ken Jones and Jim Simmons, *Location, Location, Location: Analyzing the Retail Environment*, 2nd edition (Toronto: Nelson Canada, 1993), 1.

¹⁰¹ Jones and Simmons, 412.

Figure 1: Shopping Center Maturation (1950-1975)



1970s –90s: Revitalize Through Marketing and Entertainment

The debate surrounding the choice of revitalization strategies persisted while the population, employment, and income continued to decline in the downtown. The policy response that emerged as a result of this debate relied on innovative forms of design, marketing, and entertainment to revitalize downtowns. The guiding principal that marked downtown revitalization efforts in these decades was that “city building, at its

very core an activity involving capital investment and land use, is also very importantly an effort at image creation or preservation.”¹⁰²

At the start of the 1970s, downtown development was not viewed as an attractive investment proposition by the developers. There were obstacles like rigid building codes bureaucratic red tape, continuing fallout from neighborhood destroying urban renewal projects of the 1950s and 1960s.¹⁰³ Added to this was the fear that crime and grime would drive away consumers and plague downtown development. This experience of the fifties and sixties significantly affected revitalization strategies for downtowns over the next three decades and played an important role in uniting the efforts of the public and the private sector. The canon of orthodox planning favors the view that the new set of public-private cooperation, which emerged in the 1970s, reached its zenith in the urban regeneration effort of 1980s.¹⁰⁴

Policy efforts to revitalize downtown during this time has been categorized into a threefold approach: creation of flagship destination projects that combined cultural, entertainment and retailing facilities; experimentation with new marketing approaches; and engaging in these projects and publicity efforts in partnership with the government. This approach is examined in more detail.

Flagship Destination Projects: Revitalization through Infrastructure Projects

Flagship destination projects included convention centers, aquariums, professional sports complexes, casinos, museums, redeveloped waterfronts and entertainment districts.¹⁰⁵ Such projects came to be valued both as a way of establishing confidence among investors and developers and as a marketing tool with which to change perceptions of downtown from images of “dereliction, emptiness and crime” to those of

¹⁰² Pagano and Bowman, 44.

¹⁰³ John Hannigan, *Fantasy City* (London, UK: Routledge, 1998), 33-63.

¹⁰⁴ Ibid.

¹⁰⁵ J. R. Brown and M. Laumer, “Comeback Cities,” *Urban Land*, 54, no. 8 (1983): 46-51.

“quality, entertainment and festivity.”¹⁰⁶ In many cities this “Manhattanization” paid off.¹⁰⁷ For example, starting in the 1960s, Boston added 18 million additional square feet office space over the next sixteen years. The initial investments stimulated others, making Boston the fourth largest office market in the United States.¹⁰⁸ In Canada, the Place Ville-Marie in Montreal and the Dominion Center in Toronto, exemplified this approach.¹⁰⁹

However, this approach was criticized by prominent planners like Jane Jacobs who found these efforts ugly and against the spirit of community building.¹¹⁰ Others like Charles Abrams suggested that these programs had “virtues as well as vices and the vices exist largely because the measure is actually a half-measure.”¹¹¹

Festival Market Place Projects: The New Mantra for Revitalization

Another approach that used innovative design to market the retail facilities was the concept of festival market places, which was pioneered by James Rouse’s Faneuil Hall Marketplace project in Boston. Combining a design rich in historical associations with a Disney-style maintenance system, this project was an instant success, drawing 10 million visitors in its first year: a figure equal to that of the gate count at Disneyland.¹¹²

Festival markets highlighted eating and entertainment as much as shopping. Image was important and they were unified by historic and /or architectural themes.¹¹³ Other examples include the South Seaport in New York, Harbor Place in Baltimore and The Gallery on Market Street in Philadelphia. In Canada, a prominent example of

¹⁰⁶ D. S. Fitzsimmons, “Planning and promotion: City reimagining in the 1980s and 1990s,” in *Reimagining the Pariah City: Urban Development in Belfast and Detroit*, eds. W. J. Neill, D. S. Fitzsimmons, and B. Murtagh (Aldershot: Avebury, 1995), 26.

¹⁰⁷ Birch, 5-17.

¹⁰⁸ John Mollenkopf, *The contested city* (Princeton, NJ: Princeton University Press, 1983).

¹⁰⁹ Gad and Matthew, 254.

¹¹⁰ Jane Jacobs, *The death and life of great American cities* (New York: Random House, 1961).

¹¹¹ Charles Abrams, *The city is the frontier* (New York: Harper & Row, 1965).

¹¹² Frieden and Sagalyn, 7.

¹¹³ Kent A. Robertson, “Downtown Redevelopment in the United States: an End-of-the-Century-Assessment,” *Journal of American Planning Association*, 61, no. 4 (1995): 429-438.

festival retail development on the waterfront is Market Square in Saint John. The underlying rationale was that to draw suburbanites into downtowns after dark and on the weekends, “they had to have somewhere to go which was exciting, safe and not available in the suburbs”¹¹⁴ but at the same time was like a shopping mall’s controlled, predictable and efficient environment.

However, by the 1980s, policy support for festival malls and downtown shopping malls had come to be widely criticized on various grounds like high investment and comparatively lower return, the lack of spillover benefits and decreasing consumer appeal.¹¹⁵

Changing Focus and Delivery Style: Shopping and Dining and BIDs

The revitalization strategy of 1980s saw the promotion of a new formula that combined the shopping and dining of the 1970s with culture and entertainment and was evident in the new generation of mega-malls that contained their own themed attractions packages – convention centers, casinos and entertainment complexes.¹¹⁶ The 350,000 square feet West Edmonton Mall and Toronto’s Eaton Center illustrate this phenomenon in Canada.¹¹⁷

To attract such developments in the downtown, city planners established cultural, arts, or entertainment districts.¹¹⁸ In the public sector, the catalyst for these initiatives is believed to be the creation of an artists’ district in downtown Manhattan in the early 1970s, where the city passed a series of zoning regulations and building code alterations enabling artists to rent manufacturing lofts in Soho and later in TriBeCa, for combined living and studio use.¹¹⁹ This period also saw the emergence of the powerful business

¹¹⁴ Hannigan, 51-63.

¹¹⁵ Ibid.

¹¹⁶ Robertson, 433.

¹¹⁷ Jones, 406.

¹¹⁸ Hannigan, 51-63.

¹¹⁹ Ibid.

improvement district movement that played a very important role in promoting this message. (BIDs and their role is discussed in greater detail in the following chapter).

Academics like Law suggest that “in combination” these efforts constituted a “structured urban revitalization package” that could be aggressively marketed as part of the city’s re-imaging efforts.¹²⁰ For example, Fainstein shows how Docklands in London and Battery Park City in New York symbolized the economic and social transformation of the 1980s.¹²¹

‘Disney-fication’ of the Downtown: A focus on Shopping and Entertainment

The new generation of plans recognized the downtown’s diversity and focused on promoting mixes used centers that included specialized shopping, medical facilities, theaters, hotels, and museums and art galleries. However, amongst all these uses, entertainment became one of the most important focuses. This “shopatainment”¹²² strategy lead to the development of entertainment destination projects where entertainment and commercial activity are complementary and mutually supportive of land uses in downtown renewal projects. Fleissing suggests that this change in policy response recognizes that shopping alone has begun to pale as a primary reason for going to downtown, and that other types of retail and non-retail incentives were necessary.¹²³ According to Hannigan, in New York, city-led initiatives in the urban entertainment development field rose from five to thirty-one between March 1995 and June 1996, with another twenty-seven projects under active consideration. A specific example is 42nd Street area in New York that went from being no more than an afterthought in the 1970s to a primary anchor that drove the entire redevelopment project in the 1990s. This street, originally seen as a dead space between the merchandise mart and office buildings

¹²⁰ C.M. Law, *Urban Tourism: Attracting Visitors to Large Cities* (New York and London: Mansell Publishing Limited).

¹²¹ Susan S. Fainstein, *The City Builders* (Lawrence, Kansas: University Press Kansas, 2001).

¹²² Hannigan, 51-63.

¹²³ Fleissing, W. B., “The Yerba Buena Center,” in *The City as Stage*, ed. K. W. Green (Washington D.C.: Partners for Livable Places, 1984).

planned for the eastern terminus, is now the site of a super-block that includes major projects by Disney, Livent and Madame Tussaud's, becoming once again an entertainment street. In Canada, Le Vieux Port in Montreal, Toronto's Queen's quay Terminal Warehouse and the Warehouse District in Winnipeg offer examples of successful conversions to entertainment areas.

However, all projects undertaken under the aegis of this policy were not successful due to several reasons like the legislative context and the inability to bring together the various stakeholders. For example, Fainstein's case study shows that during the same time as the 42nd Street project, there was a similar effort in London to redevelop King's Cross. Unfortunately, the project became bogged down in controversy and financial difficulties and languished while Times Square became the epicenter of New York City.¹²⁴ The case study presented in chapter 4 suggests that 42nd street project took off because of the formation of the Times Square BID that took an active role in attracting investment into the area once the government had won all the court cases.

Reflections: Where Do We Go from Here?

The historical context suggests that revitalization efforts have gradually changed focus from relying solely on building projects to understanding the need for marketing and image creation. In addition to this, successful strategies were based on public-private cooperation that allowed both the sectors to combine their resources and efforts to meet the challenge of making downtown retail competitive.

However, long-term success depends on understanding the modern trends and challenges that downtown retail faces in the twenty-first century. Some of these are explored in the following section.

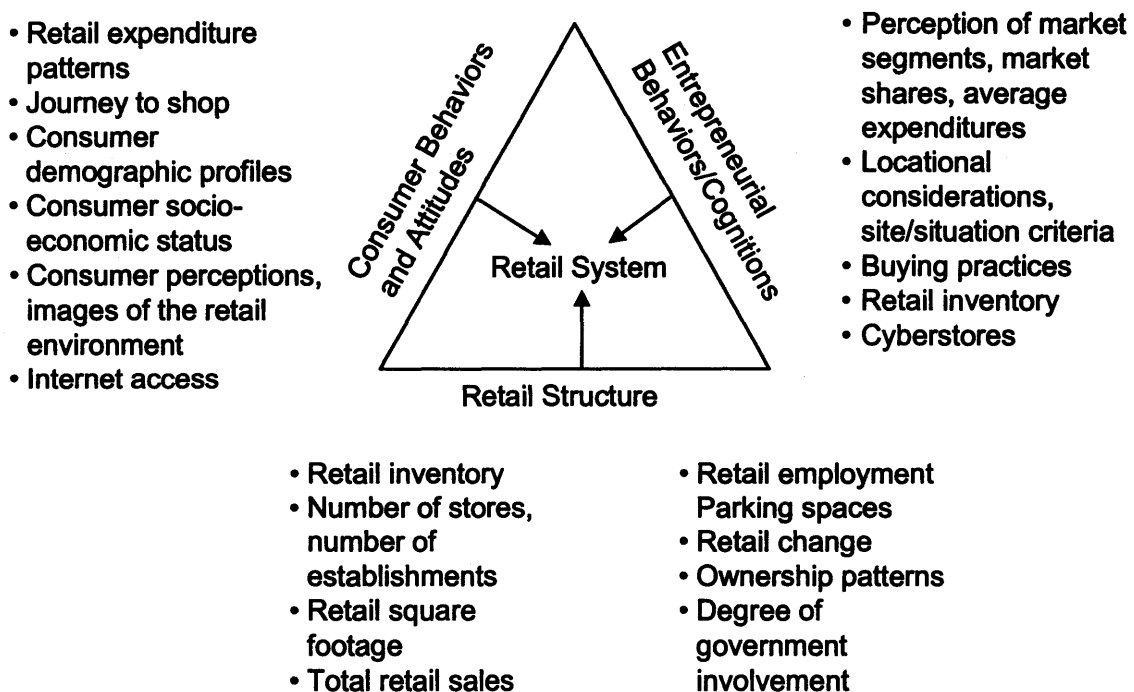
¹²⁴ Fainstein, 69.

TRENDS AND CHALLENGES TO DOWNTOWN RETAILING IN THE 21ST CENTURY

Keynesian economics suggests that the complementary nature of the downtown and retail economies promotes a self sustaining economic cycle, where the attributes of the downtown and a strong retail presence combine to attract consumers and promote investment. The socio-cultural attributes of the downtown attract consumers. Consumer presence translates into demand that encourage retail sales and investment. These complementary forces eventually result in creating a vibrant downtown economy.

However, in practice various factors such as the unpredictability of consumer behavior, the quality of the retail supply, and the constraints imposed by the behavioral choices of stakeholders affect this cycle and challenge the position of downtown retailing. Figure 2 uses Jones's illustration to show the impact of these factors on the urban system.¹²⁵

Figure 2: Forces Affecting Downtown Retail



¹²⁵ Jones, 2000.

The retail structure shown in Figure 2 provides some basic indicators of a healthy retail economy. 'Consumer behavior and attitudes' and 'entrepreneurial behavior' illustrate the affect of the forces of demand and supply on the retail system. Chapter 3 investigates the role of BIDs in addressing the requirements of these forces on the retail system.

However, consumers are not the only stakeholders in the retail system of the downtown. There are many other interests groups in the downtown who play a very important role in influencing the outcomes of strategies for downtown revitalization.

CONSTRAINTS IMPOSED BY THE BEHAVIORAL CHOICES OF STAKEHOLDERS

"Downtown is not just a business district; it is an enterprise that is run by the city government and corporate interests."¹²⁶ The built form of the town center reflects the nature of inter-organizational relations of power and influence between different agents. However, these different stakeholders have are different opinions on the importance, role and function of downtowns and downtown retail, which are not always in concert with each other. To complicate matters there has been a conspicuous absence of a common platform to promote dialogue.

In order to get a holistic understanding of these conflicts and controversies, the key players have been classified into three broad categories – the producers of the town center environment (such as the property owners, developers, investors, retailers, construction and design professionals), the users (such as the occupants, employees, shoppers, residents, tourists and other informal users), and the intermediaries (such as the local and national governments, city planners and pressure groups).¹²⁷

¹²⁶ Frieden and Sagalyn, 1-20.

¹²⁷ Evans, 96-97.

The Intermediaries

The increased decentralization of business and population from downtowns has been costly to cities. The out-migration of businesses and households located affects the local government as it reduces their tax base. Local businesses in the region also experience revenue shortfalls, while property owners and developers have to deal with various problems of devaluing assets.

In addition to this, globalization has resulted in the increasing similarity of downtowns. Attracting investment requires strategies that go beyond the traditional strategies of pedestrianization and mixed use zoning. The question of "Which community would come to dominate the region by the turn of the century?"¹²⁸ has haunted municipal governments and local businesses in recent times. Attempts to deal with these global forces of change has resulted in various types of policy responses and projects by government, non-government, and private organizations like historic preservation groups, local civic bodies, chambers of commerce and downtown associations like Business Improvement Districts. Though revenue has been the common force behind these responses, the methodology used to counteract market failure has been driven by the organizational context of these groups.¹²⁹

For example, local authorities are often seen to promote downtowns as one of the key components of the 'public realm',¹³⁰ critical to overall vitality and economic well being of the city. City officials believe that the presence of vacant buildings in the downtown may signal to other businesses that their city is not worthy of a strong retail environment, triggering further economic disinvestments and out migration. To counteract this market failure authorities have traditionally used pump-priming mechanisms like fiscal incentives, guarantees and infrastructure provision.

¹²⁸ Pagano and Bowman, xiii.

¹²⁹ Dolores Palma and Doyle Hyett, "Born again: Downtown Revivals Offer Salvation for Cities," *American City and Country*, 112 (1997): 8-26.

¹³⁰ Comedia, 6. Public realm is defined as "that realm of social relations going beyond one's own circle of family, professional and social relations."

However, due to the absence of a common forum most of these efforts have been piecemeal and haphazard and have not had the same impact as an integrated marketing and promotional program. In contrast, cities with downtown management associations like BIDs have succeeded in bringing people and finances together to promote a shared vision for downtown. For example, the critical elements that helped transform Denver into a city of tomorrow was the ability of the downtown association to bring together the fragmented financial resources operating in the downtown and to use them for an active promotional campaign for the attainment of their vision.

The Producers

The producers can be categorized into the two broad categories – the government and the private sector. Though the producers share the common desire to maximize return on investment, literature suggests that the traditional debate of a laissez faire economy versus development initiatives led by the public sector has continued to add tension and mutual suspicion to their downtown revitalization efforts, with each suspecting the other of promoting their own agenda.¹³¹

Governments, as the producers of the built environment, have played a significant role in providing infrastructure incentives that attract the private producers to invest in the downtown. Cities have modified zoning regulations and introduced retail use requirements, street-level design standards, and incentives to reward developers for incorporating retail spaces. However, many times these strategies have not been enough to change the negative image that producers have of the downtown. In addition to this, the growing pressures of a decreasing revenue base have often translated into poorer provision of basic municipal services such as cleanliness and security. This has adversely affected the ability of the government to function as an effective producer of the built environment.

Within the category of the private sector, it is interesting to compare and contrast the motivations of the retailers, the property owners, and the developers. The retailers are

¹³¹ Loukaitou-Sideris and Banerjee, 1-20.

constrained by the behavioral choices of the consumer, measurable only through product demand. In the short term they are interested in profits and in the long term in benefiting from the brand equity of the place. The property owners are interested in realizing high property rents in the short term. In the long term, they are interested in sustainable developments that generate 'place equity'.¹³² Harvey suggests that the developer's desire to exploit the exchange value of land is constrained by access to land and to funds. He suggests that the reason for this is because both land and funds are increasingly controlled by global companies and banks.¹³³ This scale of external ownership reflects the trend of globalization and also emphasizes the constraints imposed by a fragmented local ownership.

Retailers can play a very important role in unifying these divergent interests. Chapter 3 describes a methodology that uses a retail-focus to unify the different interest groups.

The Users

Oblivious to the problems of the intermediaries and the producers, the users of the downtown are interested in patronizing environments that offer convenience, comfort and safety. In other words, their use-value is driven by their perception of the place. Unfortunately, "despite three decades of continuous redevelopment policies and projects, most American downtowns still have serious economic problems and are perceived particularly by suburbanites, as inconvenient, obsolete, and even dangerous places."¹³⁴ This opinion is echoed for downtowns in the United Kingdom and Canada. Improvements in technology and transport have only added to this problem as they have increased access to other commercial centers. This has provided consumers with a wider range of commercial alternatives that permit them to frequent or abandon a commercial area based on their perception of the place.

¹³² The Henley Centre report.

¹³³ D. Harvey, *The Urban Experience* (Oxford: Basil Blackwell, 1989).

¹³⁴ Robertson, 429-438.

SUMMARY

Though the perspectives of these stakeholders highlighted in the previous section appear to be contradictory, they are not mutually exclusive. The tensions that have existed between these interest groups have constrained the dialogue between them. This has affected their ability to create a unified strategy that can promote their interests as well as revitalize the downtown. However, external threats like the suburban shopping mall, decentralization of commercial activity, and the continued degeneration of city centers have tended to bring together these conflicting interests. This probably explains the reason for the increasing support for the Business Improvement Districts in recent years, which is purported to have resulted in the growth of revitalization efforts driven by a shared vision of the downtown's future. The following chapter examines the role of BIDs in downtown retail in greater detail.

Chapter 3: Role of Business Improvement Districts in Promoting Downtown Retail

INTRODUCTION

“A new form of public administration is refashioning the concept of delivery in commercial centers – the business improvement district.”¹³⁵

This chapter analyzes the strategies adopted by BID, in the United States, the United Kingdom, and Canada to improve the retail economy of downtowns.¹³⁶ The literature review in Chapter 2 suggested that before the emergence of BID, efforts to revitalize downtowns were fragmented strategies, which did not involve all the stakeholders in the regeneration process and failed to promote an integrated vision for the downtown.

This chapter makes a case for resolving inter and intra stakeholder problems through a retail focused solution. To understand the role and importance of BID activities, the chapter proposes a Tier model, which is used to study the organizational structure and activities of BID. This model suggests that to promote a holistic revitalization strategy for downtown revitalization, BID need to progress through all three Tiers of the model and undertake all the activities proposed therein.

¹³⁵ Mitchell, 6.

¹³⁶ Literature suggests that there is an absence of a standardized naming convention or definition for BID. This work will use Mitchell’s definition of BID (defined in the following section) and will refer to all organizations (that meet the definition’s requirements) as BID.

DEFINING BIDS

The BID idea in North America is essentially based on the concept of a benefit assessment district that allows for assessment on property within a defined geographic area, the revenues from which are directed back to the same.¹³⁷ They are differentiated from the other strategies by their innovative delivery style that focuses on “the strategic application and coordination of resources towards a common objective.”¹³⁸ According to a study by the IDA, “...the key difference between downtowns and their suburban competition is not the physical amenities, but management.”¹³⁹ This desire to replicate the control and enforcement capability of shopping malls through centralized management has been the guiding principle of BIDs as they evolved in North America and has remained a catalyst for BID practice even as the concept traveled across the Atlantic to the United Kingdom.

The concept has grown since it originated in Toronto in 1965.¹⁴⁰ According to Jerry Mitchell, there are approximately 404 BIDs in the United States (though the number may have grown since then).¹⁴¹ Further, the Association of Town Centre Management (ATCM) in the United Kingdom has over 300 town center management partnerships.¹⁴² Preliminary results from the International BID survey suggest that there are about 348 such organizations in Canada, more than 100 in Europe (excluding the United Kingdom), approximately 240 in Japan, about 80 in New Zealand, and 39 in South Africa.

As the concept spread worldwide, it was adapted under different names. For example, they are referred to as Business Improvement Areas (BIA) in Canada, Town Center Management (TCM) in the United Kingdom,¹⁴³ City Improvement Districts (CID)

¹³⁷ Houston, 10-15.

¹³⁸ James A. Cloar, Elizabeth Stabler, and Anthony P. DeVito, *Centralized Retail Management* (Washington D.C.: ULI-the Urban Land Institute), 1.

¹³⁹ Jack R. Stokvis, "Making Downtown Competitive Again: The Promise of Centralized Retail Management," *Urban Land* (April 1991), 8.

¹⁴⁰ Houston, 1-5.

¹⁴¹ Mitchell, 3.

¹⁴² ATCM press release, "US-Style "Bids," <<http://www.atcm.org/masterframe.htm>> (16 March 2003).

¹⁴³ For simplicity, all BID-like organizations (TCMs and otherwise) will be referred to here as BIDs, even though the legislation to formalize that designation will be passed later this year.

in South Africa, and Town Management Organizations (TMO) in Japan. BIDs are also called by different names throughout the United States.¹⁴⁴ For the purpose of this study, this concept will be referred to as business improvement district.

Given the varied naming conventions and multiple definitions, this work defines BIDs as an approach in which a geographically defined majority of property owners' and/or businesses agree to provide extra services in a specific area by generating a sustainable stream of funding from the principal interests in the area.

BIDs may implement services either as a nonprofit organizations, government corporations, or public-nonprofit partnerships.¹⁴⁵ Examples of BIDs include Center City District Philadelphia, Bloor-Yorkville Toronto, and Central London Partnership –a pilot project working to create the first five BIDs in London.

BID size and financing varies by context. Mitchell's study shows that BIDs can cover as many as 300 blocks or as few as one. The study also suggests that annual BID financing ranges from \$8,000 in small towns (fewer than 25,000 population) to \$15 million in the big cities (with population over 700,000) with a median budget of \$200,000. For example, large BIDs like the Downtown Vancouver BIA in Canada or City Center District Philadelphia cover most of the city center and have budgets of more than a few million dollars. The following sections examine why the role of retail is important and how BIDs use the retail focus to promote a common vision for the downtown.

THE ROLE OF RETAIL IN PROMOTING A COMMON AGENDA

Stakeholders have divergent perceptions of the problems affecting downtowns and dissimilar solutions for the optimal revitalization strategy. For example, users see downtowns as dirty, unsafe, and inconvenient for shopping. On the other hand,

¹⁴⁴ Mark S. Davies, "Business Improvement Districts," *Washington University Journal of Urban and Contemporary Law* 52 (1997): 187-225, <<http://law.wustl.edu/Journal/52>> (27 April 2002). BIDs are called "municipal improvement district (Arizona)", "neighborhood improvement district (Florida)", "local improvements (Illinois)", "economic improvement district (Indiana)", and "community improvement districts (Kentucky)."

¹⁴⁵ Briffault, 368.

developers see them as congested places that may not give them a high return for their investment, while retailers are concerned with profit maximization and brand equity.

However, unlike the centralized management system of shopping malls that promotes the collective interests of the retailers and customers, there is no organization to promote common interests like maintenance, security, and parking and transport facilities in the downtown. The previous chapter analyzed the motivations and 'value drivers' of the different stakeholders, which have been summarized in Table 2.

Table 2: The Divergent Expectations of the Various Stakeholders

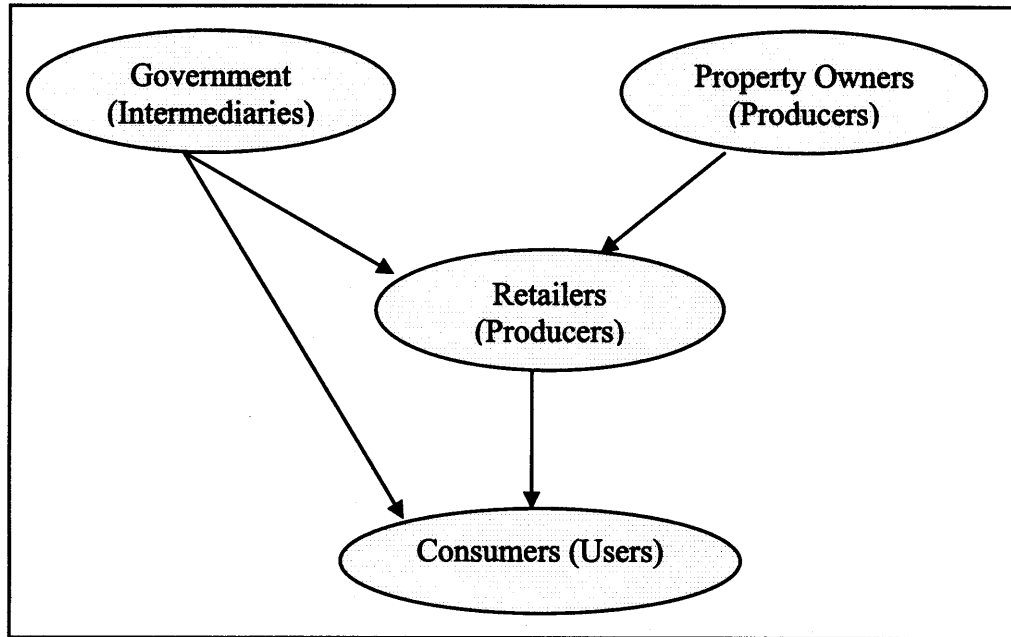
Stakeholder	Aims / Motivations
Property Owners (Producers)	In the short term, high rent and in the long term, building of place equity
Retailers (Producers)	Short term profit maximization (Net margin) and long-term building of brand equity
Consumers (Users)	Retail and entertainment destination that has a 'buzz'
Government (Intermediaries)	Long-term sustainable development, Increase in tax base

The analysis suggested that though the aims of the stakeholders appear to be different, their motivations are not independent of each other. Retail provides one way of promoting unifying these divergent interests. Figure 3 shows the interlinkages that exist between these interest groups.

Figure 3 shows that the motivations of the intermediaries such as the government are fulfilled if they get occupiers who contribute to the tax base and users who promote a tourist economy of the downtown. The interests of the property owners are satisfied if they can get occupiers such as retailers, who pay rent in the short term and contribute to the place equity in the long term. The interests of the retailers are fulfilled if they get profits in the short term and brand equity in the long term. The interests of both groups are satisfied through a retail-led focus. Therefore, strategies that promote the interests of the retail economy would provide one way of interlinking these divergent interests. In addition to this, the combined presence of both the users and the occupiers ensures the

sustainability of the downtown. This retail focused solution sets the context for investigating the strategies that allow BIDs to promote downtown retail.

Figure 3: Interlinkages between the Divergent Interests of the Stakeholders

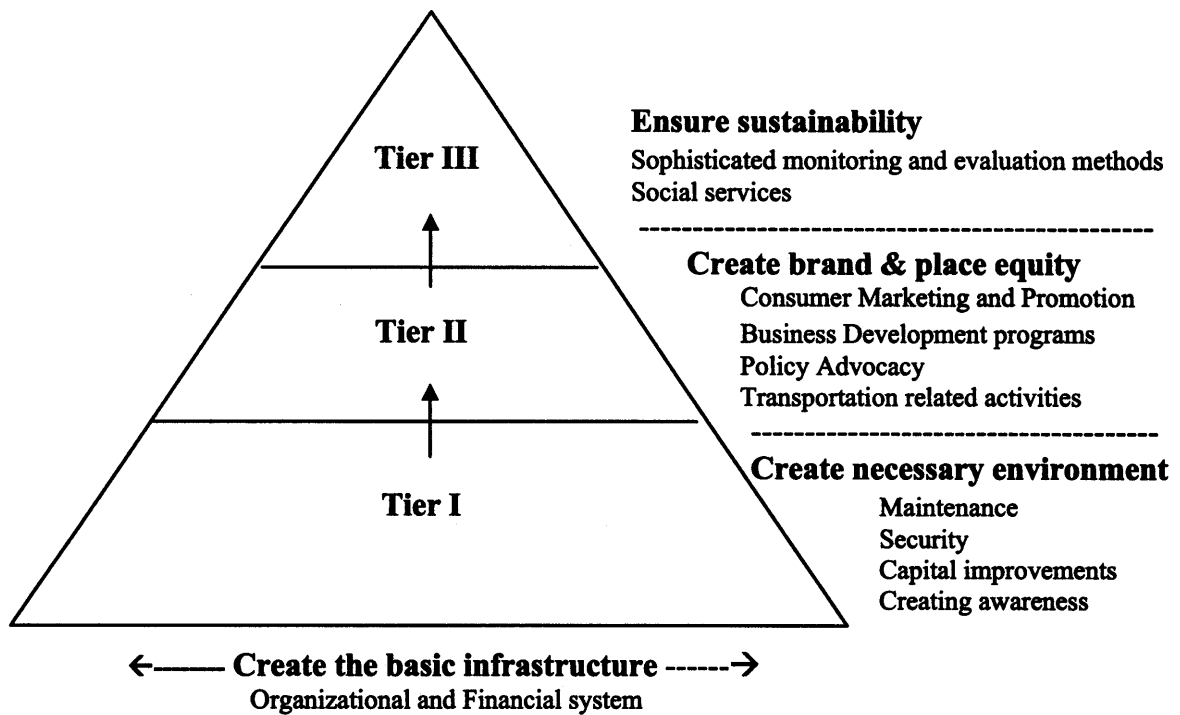


A MODEL FOR POSITIONING AND MEASURING BID ACTIVITIES

Some BIDs have been functioning for more than three decades in North America and almost two decades in the United Kingdom. However, each country and each city has adapted this system to suit its own specific needs. This has resulted in diversity in almost every aspect of the BID concept such as the financial structure, the balance of control between the public and the private sector, the scope of activities undertaken, and the indicators instituted to measure impact.

To overcome these differences and understand the BID idea, I have proposed the model shown in Figure 4. To promote a sustainable revitalization strategy in the long term, BIDs must carry out activities across all the three Tiers. However, BIDs may not necessarily start with Tier I activities. Depending on the downtown, the budget of the BID, and the degree of participation from the local government, BIDs may commence with activities from Tier II and Tier III.

Figure 4: A Tier-System Model



According to this model, the organizational and financial system of BIDs provide the basic infrastructure essential for undertaking the various activities across all Tiers. Tier I represents activities required to change both the physical environment and the negative perception of the downtown and provide the conditions necessary for BIDs to undertake activities from Tier II and III.

Tier II activities are most important for promoting and improving the retail offer of downtowns in the long term. The trends observed in the cases studies (discussed in detail in chapter 4) suggest that as BID activity matures, the budgetary allocation for Tier I activities such as maintenance and capital improvements may go down as compared to the allocation in the initial years. However, the percentage of this allocation for Tier II activities such as marketing and promotion usually increases with time.

While Tier I and Tier II activities create and promote all aspects of downtowns, Tier III activities ensure the long-term sustainability of the organizations activities and therefore of the downtowns themselves. These activities may often be undertaken in conjunction with Tier I activities through strategic of financial and human resources. However, developing sophisticated systems takes time and usually they evolve only after BID activity has matured to encompass all the activities in Tier I and Tier II that a BID

needs to undertake to address the requirements of its area. For this reason, these activities have been placed in the Tier III level.

Each Tier has its own importance and is required for ensuring the success of the BID as well as long-term place equity of the downtown. Therefore, it is important not to underestimate the importance of any level in the process of developing a sustainable downtown retail economy. The BID activity listed in each of these Tiers is discussed in detail in the following sections.

Organizational and Financial Systems

The organizational and financial system of BIDs forms the base of the Tier model. The infrastructure they create offers the support required to provide the common management forum that brings the different stakeholders together as a team and, in turn, promotes a common vision and strategy for the downtown.

Organizational System

The BIDs organizational system functions in the same way as the common area maintenance provisions found in tenant leases within suburban shopping malls and office parks and had been popularly called a 'CAM charge for downtown'.¹⁴⁶ However, adapting the shopping center management model to the downtown context has been much more difficult.

One of the problems has been the lack of common ownership of the downtown. BIDs tried to overcome this by promoting a board structure where requirements for representation include members from all the different stakeholders identified in the previous chapter, namely the producers of the built environment, the consumers, and the intermediaries.¹⁴⁷ Though the board can vary in size, the diversity in representation

¹⁴⁶ Segal, 4.

¹⁴⁷ *The producers* include the property owners, developers, investors, retailers, construction and design professionals, *the users* include the occupants, employees, shoppers, residents, tourists and other informal users) and *the intermediaries* include the local and national governments, city planners and pressure groups.

serves to provide a common forum that initiates dialogue between the different stakeholders. This platform allows these interest groups to coordinate their individual efforts, discuss solutions that are mutually beneficial, and at the same time promote the long-term agenda of the downtown.

It is interesting that though each stakeholder is important, the role of retailers and property owners has been stressed as an important component of organizational success. According to the Rowntree report, "The retailer can and should get involved in day-to-day and strategic urban initiatives in order to derive benefit for themselves and for the wider social community."¹⁴⁸ The Henley center report suggests that "shopping patterns of the future provide a strong justification for retailers, property owners and developers to get actively involved in pursuing the future success of the urban center, across the urban hierarchy" where "Retailers and property developers can at once help to drive, and benefit from, such a virtuous circle of growth."¹⁴⁹ Given these findings, "The idea of a 'retailer as local hero' is one that could benefit the retailer as much as the local community."¹⁵⁰

The academic perception is reflected in practice. A study of the 8 largest BIDs in New York City found that 67% of members on the boards of Directors of BIDs were from businesses.¹⁵¹ The results from the International BID Survey suggest that this trend is visible in the Canadian BIDs. In Canada, in approximately 97% of the BIDs, the initiative had come from business owners.

However, there are interesting differences between North America and the United Kingdom. In the USA and Canada, the initiative was largely from the local businesses, while the initiative for the Town Centre Managements in the UK stemmed from efforts by the local governments. Critics suggest that there is a lack of willingness on the part of the businesses in the UK to undertake responsibilities for things they consider to be the 'job' of the municipal government. Practitioners like Meg Kaufman (who used to work

¹⁴⁸ Carley et al., 2.

¹⁴⁹ The Henley Centre report, 16 –19.

¹⁵⁰ Ibid.

¹⁵¹ Houstoun, 20.

on a BID in Philadelphia and now works in London) have questioned, "Whether British businesses share their US counterparts' belief that the private sector shares responsibility for regeneration."¹⁵² Furthermore, these critics suggest that such an attitude would impact and constrain both the fund raising capability of BIDs as well as the time these 'members' would be willing to devote to champion the concerns of the businesses and retailers.

There is also evidence to support the contrary. For instance, the bulk of voluntary contributions for Town Centre Management initiatives have come from retailers such as Marks and Spencer, Boots, and Sainsbury. Bristol, Reading and Coventry have town center management organizations that operate as independent companies. Though the initial initiative to form these organizations had come from the local governments in these cities, in most cases the management now operates independently of City hall. Currently, there is also an ongoing effort by the government to formalize the BIDs in the UK. To facilitate the transformation of the existing organizations to the BID idea the ATCM has initiated a pilot BID project, in which twenty-two town center managements have been selected to form pilot BIDs.¹⁵³ The aim of the Pilot "is to ensure that when the enabling legislation is implemented in 2004, these selected locations will be ready to seek a mandate for a BID soon afterwards."¹⁵⁴

Financial System

It is important to have the buy in of the producers of the built environment. The BID financing mechanism ties in the commitment of the stakeholder through a special tax assessment system that is based on an efficient and sustainable economic system of cost and benefit that is also designed to eliminate 'free riders'. For example, most city

¹⁵² Meg Kaufman, in David Harding, "Business Improvement Districts revitalize New York." Available from: <<http://www.publicnet.co.uk/publicnet/fe990528.htm>> (16 March 2003).

¹⁵³ The pilot towns and cities are: Bedford, Birmingham, Blackpool, Brandon, Bristol, Bromley, Coventry, Ealing, Greenwich, Hammersmith and Fulham, Hull, Keswick, Lincoln, Liverpool, Manchester, New West End Company, Newquay, Peterborough, Plymouth, Reading, Swansea and Rugby and Warwickshire.

¹⁵⁴ ATCM press release.

governments in the United States, require property owners within a defined geographical area to pay an 'additional' property tax to provide services typically provided by the municipal government, while a few may institute a tax on business.¹⁵⁵

This financing mechanism is governed by the enabling legislation of the state that usually varies among and between nations.¹⁵⁶ The enabling legislation determines whether the BID may be funded by a new, additional levy or through a combination of public and private sector funding such as voluntary contributions and government grants.

Until recently, the United Kingdom had a centrally managed system of tax collection and the British Town Centre Management Association promoted equitable cost sharing among commercial property owners through a system of voluntary contributions.¹⁵⁷ Critics argue that this format is unsustainable as it constrains funding and also fails to address the problem of free riders. The present government recognizes this problem and has initiated the process to adopt the legislation that will formalize the BIDs in the UK.

However, a big drawback of the proposed legislation is that it seeks to tax 'occupiers' rather than 'property owners'. This legislation makes no provision for taxing property owners, as is the practice in the United States and Canada. The BURA and the BRC conference report on 'Retail and Regeneration' suggests that practitioners in the UK believe that the bill in its current format is not likely to support successful BIDs in the long term. According to the report, one of the main problems would be extracting funding from multiple retailers "where there is likely to be little autonomy at local level with all key decisions being made at the organizations head office."¹⁵⁸ A similar concern was echoed by management for Manchester City Centre Management Company Limited,

¹⁵⁵ Mitchell, 4.

¹⁵⁶ Briffault, 410-420.

¹⁵⁷ Wandsworth Borough Council, "Town Centre Management Initiatives" report, 28 March 2001, <<http://www.wandsworth.gov.uk/business/Town%20Centre%20Management%20Initiative.doc>> (19 June 2002).

¹⁵⁸ BURA and BRC, Conference report. Additionally, the view expressed by the conference members was that "if the focus was solely on tenants then the nature of their leases – cited as often being 2 – 5 years – would mean that long-term planning was impossible. In addition it was considered that tenants might, at best, not become involved in projects and, at worst, vote against projects because they considered that they would not derive benefits from them."

which is one of the pilot BIDs. According to their Executive Director, the percentage of budget typically derived from assessments on occupiers is comparatively much smaller than that derived from property owners and therefore not very beneficial.¹⁵⁹ Consequently, the Company may decide against becoming a BID when the time comes.

Despite the differences in the financing legislation, BID revenue depends on the size of the levy that in turn depends on the size of the BID. While, both the size of the levy and the size of the BID are variable, the assessments are usually in the range of 1 to 3% of assessed valuation.¹⁶⁰ For example, this variation is evident from the case of New York City where there are about 44 BIDs.¹⁶¹ In approximately 40 of these, BIDs generate assessments of less than \$400,000 per annum, while the larger BIDs like the Grand Central Partnership BID have annual budget of about \$10m.¹⁶²

In addition to the revenue raised through assessments, Mitchell's survey of the BIDs in the United States suggests that 50% BIDs receive voluntary donations from other sources, 27% obtained federal or state subsidies, 24% acquired funds from the local government, and 21% sold goods or services.¹⁶³ This is similar to the researcher's own observations for the small sample of BIDs she surveyed in Canada and the United Kingdom.

Tier I (Create the Necessary Environment)

The retail core of downtowns has often been unable to compete with the retail offer of the suburban and strip malls. Consequently, these areas fall into a state of neglect that is reflected in their dirty pavements, problems of litter and graffiti, and vandalism. Additionally, the poor street lighting aids committers of petty crime. The

¹⁵⁹ Gordon McKinnon, Executive Director, Manchester City Center Management Company, *Interview by author*, tape recording, 25 March 2003.

¹⁶⁰ Mitchell, 12.

¹⁶¹ New York City Government website, <<http://www.nyc.gov/html/dbs/html/ndd.html#BID>> (5 November 2002).

¹⁶² Harding, 3.

¹⁶³ Mitchell, 17.

cash-constrained local government is often unable to provide additional resources to correct the situation.

Tier I represents the basic services required to change both the physical environment and the negative perception of the downtown, and to create the conditions necessary to undertake activities from the other Tiers. These services include maintenance, security, capital improvements, and low-level promotion efforts that create awareness of the maintenance and security programs. The theory is that a change in the reality and perception to 'safe' and 'clean' would translate into an increase in footfall in the BID area. Figure 5 illustrates the interlinkages between the Tier I-level activities and the goal of increasing footfall.

Figure 5: Processes That Create the Necessary Conditions to Increase Footfall

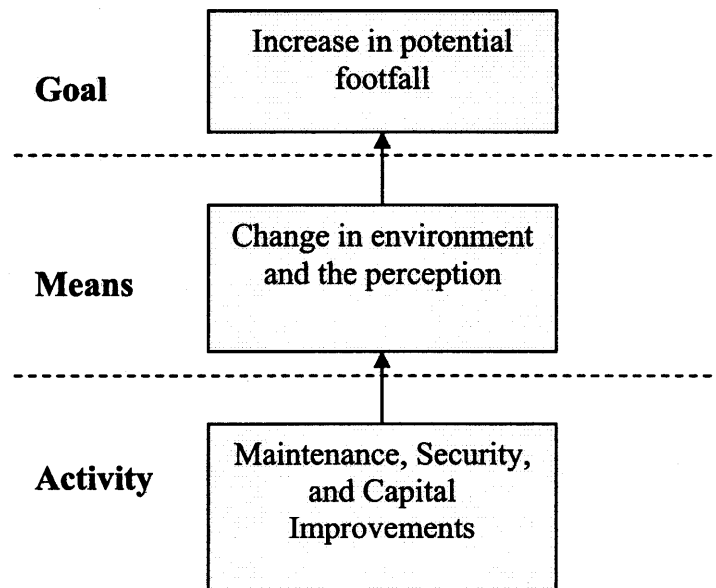


Figure 5 shows that higher 'footfall' (alternatively called 'pedestrian counts' in the United States) provides one of the important goals for measuring the effectiveness of Tier I activities.

However, to attract users to the downtown, it is also necessary to change the reality and the perception of the physical environment of the downtown and make it comparable to the shopping mall in terms of attractiveness, cleanliness, and safety. To assess the role and importance of these functions in the BID agenda, the percentage of BIDs undertaking Tier I activities have been compared in Table 3 and Table 4.

Table 3: BID Involvement in Tier I Activities in the US

Level of Involvement	Capital Improvements	Maintenance	Security
Very Involved	52%	58%	36%
Somewhat Involved	34%	27%	32%
Not at all involved	14%	15%	32%

* $N = 404$

Source: Jerry Mitchell, *Business Improvement Districts and Innovative Service Delivery*

Table 4: BID Involvement in Tier I Activities in Canada*

Level of Involvement	Capital Improvements	Maintenance	Security
Very Involved	64%	34%	25%
Somewhat Involved	29%	42%	43%
Not at all involved	7%	25%	31%

* $N = 348$

Source: Lorlene Hoyt, *International BID Survey*

The results suggest that at the Tier I level, capital improvements form a very important function for a majority of BIDs in both countries. Though security ranks much lower compared to the other two activities Mitchell suggests that the reason for this is related to financial constraints in most cases.¹⁶⁴

(a) Capital Improvements

Shopping malls often distinguish themselves through their signature design and well-maintained common areas. However, downtowns have a diversity of stakeholders and owners. In the absence of centralized management and common responsibility, the



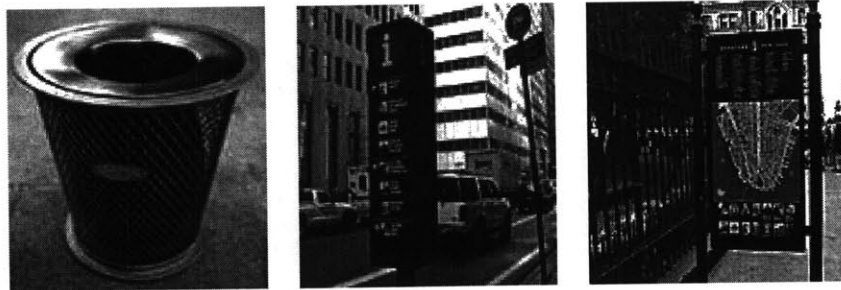
Picture 1: Trash Dump near a Main Street in Downtown London

¹⁶⁴ Mitchell, 6-11.

common facilities and public spaces in downtowns usually become badly maintained and acquire a run down appearance.

An important part of the BID revitalization strategy is making coordinated streetscape improvements that change the visual image of the downtown and “subtly create a distinct identity for the downtown.”¹⁶⁵ Capital improvement activities undertaken by BIDs include installing pedestrian-scale lighting and street furniture, directional signs, benches, kiosks, and public art. Often these improvements are distinguished from other regions by a distinctive color scheme or a logo in the print media.

For example, streetscape efforts by the Alliance for Downtown BID in New York City include installing a series of granite site markers, a street sign system, new light poles, and street furniture like trash baskets.¹⁶⁶ They believe that “it is the elements of city streetscape that unconsciously affect people's perceptions of an area” and therefore are important to attract and retain businesses and customers.¹⁶⁷



Picture 2: Trash Can, Way finding System, and Site Markers Installed by Alliance for Downtown.
Source: Alliance for Downtown Website

(b) Maintenance

John McCloud has aptly defined the goal of the maintenance activities provided by BIDs, “It will only be used to deliver additional services/capital improvements that the

¹⁶⁵ James Robinson, Executive Director, Downtown Yonge Street BIA, *Interview by author*, tape recording, 14 March 2003.

¹⁶⁶ Downtown Alliance, <http://www.downtownny.com/streetscape_index.asp> (4 April 2003).

¹⁶⁷ Ibid.

business community has identified as necessary to add value to the trading environment.”¹⁶⁸ BID maintenance activities include power washing of the sidewalks, collecting rubbish and litter, removal of graffiti and chewing gum, shoveling snow, and trimming trees.

These activities are similar to the Common Area Maintenance (CAM) of shopping mall programs and are generally provided by all downtown management organizations. However, these services are not intended to replace services provided by the local government and normally BIDs make an agreement with the City to ensure that these services will be provided over and above those provided by them.



Picture 3: Street Cleaning Machine and a Street Cleaning Team

The general view is that the provision of these maintenance services will create a standard comparable to that delivered by privately managed shopping centers – something that the local authorities have not delivered due to constrained resources. For example, Philadelphia, once dubbed “Filthadelphia”, had been brought to its knees in the 1980s by massive deficits and intractable municipal unions.¹⁶⁹ The efforts of Center City District Philadelphia (the downtown management organization for the center city) have resulted in a clean and orderly downtown where local business activity has increased markedly.¹⁷⁰

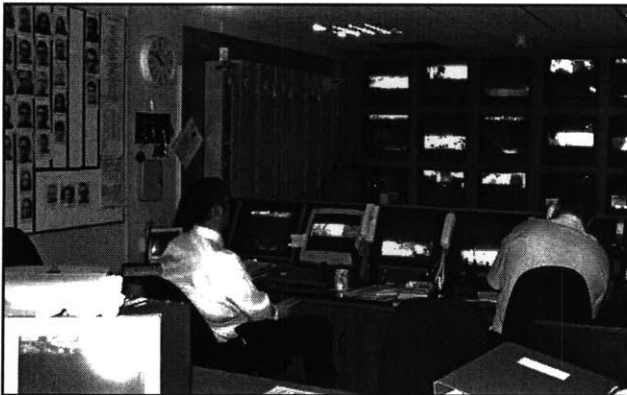
¹⁶⁸ John McCloud, “Bidding for Success: BIDs are Helping Cities Compete with Malls,” *California Real Estate Journal* (May 1996): 16-19.

¹⁶⁹ Heather MacDonald, “BIDs Really Work,” *City Journal* (Spring 1996): 29-42.

¹⁷⁰ *Ibid.*

(c) Security

The problems of shoplifting and vandalism have a direct impact on the profit margins of retailers. “The value lost from merchandise walking out the door is something that affects the bottom line of the small and large retailers.”¹⁷¹ BIDs have addressed this problem by coordinating and financing a range of security services and measures such as augmenting the security services provided by the local police department with Closed Circuit Television (CCTV), providing radio-links to retailers, setting-up effective lighting strategies, instituting uniformed “ambassadors” who patrol the area and provide a uniformed presence.



Picture 4: CCTV Center in the Office of CV One

For example, the downtown management company for Coventry was one of the pioneers the CCTV system in the United Kingdom. The company’s security initiatives to its members include CCTV monitoring, a crime reduction package, secure car parks, and an increased police presence. The outcome of these

initiatives was the reversal of a ten-year decline in footfall¹⁷² in during the 1990s.¹⁷³

Another aspect of security is from the shoppers’ perspective. Customers are generally concerned for personal safety in less familiar surroundings and therefore have been found to prefer the safe and enclosed environment of suburban shopping malls. Programs such as the “ambassadors” have complemented the above-mentioned security measures instituted by BIDs.

¹⁷¹ Gordon McKinnon, Executive Director Manchester City Center Management Company, *Interview by author*, tape recording, 25 March 2003.

¹⁷² Footfall is referred to as ‘pedestrian counts’ in the United States.

¹⁷³ The statistics are based on the data provided by CV One during the field visit to Coventry on 26 March, 2003.

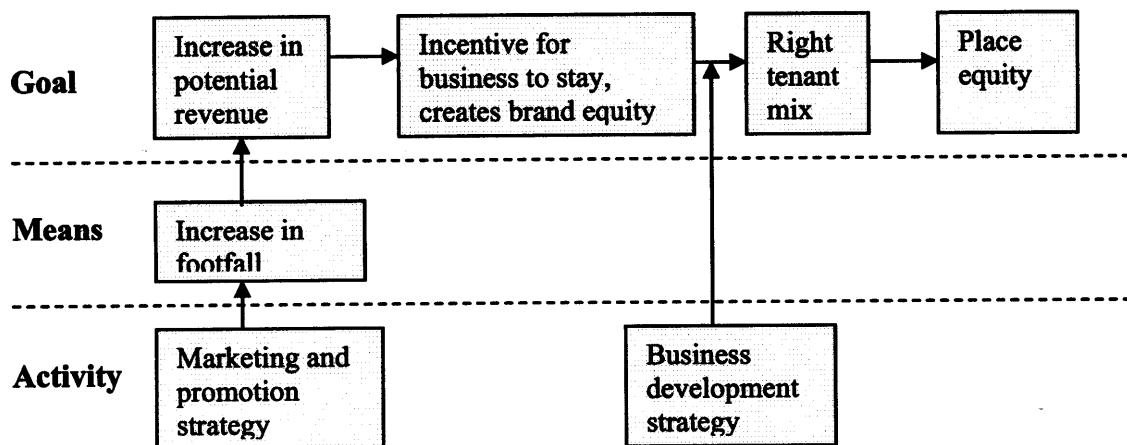
For example, the Downtown Vancouver BIA in Canada has a “Downtown Ambassadors Program” with 16 full-time Ambassadors who are trained to provide crime prevention services and assist people with inquiries about the district, its businesses, and its services.¹⁷⁴

While it is important to improve the maintenance and security in downtowns, it is equally important to generate awareness about these changes among the members and the users. These activities could take the form of frequent meetings with the members and low-budgeted publicity efforts.

Tier II (Create Brand and Place Equity)

The provision of basic services such as maintenance and security is not enough to sustain a retail-led regeneration of the downtown. It is also important to fulfill the short- and long-term goals of the retailers and the property owners. Figure 6 shows the interlinkages between the interests of the retailers and some of the Tier II activities through which BIDs help them to achieve these goals.

Figure 6: Processes that Create Brand and Place Equity



¹⁷⁴ Downtown Vancouver BIA,
http://www.downtownvancouver.net/content/dsp_content.cfm?fuse=programs&box=ambassadors
 (16 Mar 2003).

Figure 6 shows that retailers are concerned with profits and high net margins in the short term. A higher 'footfall' provides one of the important and measurable means to achieving this goal. However, to ensure an increase footfall it is necessary to combine Tier I activities with targeted marketing and promotion efforts that attract different consumer markets to the downtown in addition to the 'regular' users.

However, once the users are attracted to the downtown, it is also necessary to ensure that the retail offer is strategically upgraded to offer a range that caters to the need of all types of consumer markets and that there are convenient parking and transport facilities for the users. These issues are addressed through other Tier II activities of BIDs such as business development programs, transportation related activities (creating parking, advocating for the use of public transport), and public advocacy. To assess the role and importance of these functions in the BID agenda, the percentage of BIDs undertaking Tier II activities have been compared in Table 5 and Table 6.

Table 5: BID Involvement in Tier II Activities in the US

Level of Involvement	Consumer Marketing	Policy Advocacy	Transportation	Economic (Business) Development
Very Involved	78%	50%	18%	25%
Somewhat Involved	16%	38%	27%	33%
Not at all involved	6%	12%	55%	42%

* N = 404

Source: Jerry Mitchell, *Business Improvement Districts and Innovative Service Delivery*

Table 6: BID Involvement in Tier II Activities in Canada

Level of Involvement	Consumer Marketing	Policy Advocacy	Transportation	Economic (Business) Development
Very Involved	85%	54%	6%	5%
Somewhat Involved	13%	37%	41%	23%
Not at all involved	2%	9%	53%	72%

* N = 348

Source: Lorraine Hoyt, *International BID Survey*

The results suggest that, in Tier II, consumer marketing is the most important function undertaken by the majority of BIDs in both countries. In the United States, 78% of BIDs are very involved in consumer marketing while in Canada 85% of BIDs are very involved in consumer marketing.

However, though business development activities are very important for developing long-term place equity, the findings suggest that while at least one fourth of BIDs in the US are very involved in this activity, the level of involvement is much lower for Canada, where only 5% of BIDs are very involved. The following section on 'business development programs' continues the discussion of the pros and cons in the above percentages.

(a) Business Development Strategy

As shown in Figure 6, business development is a very important activity for development of place equity in the long term. Though cooperative marketing and downtown promotion campaigns promote retail interests in the short term, business development strategy creates the right retail mix that ensures the sustainability of downtown's retail structure. The Henley center report also emphasizes the importance of targeting the right retail mix on the grounds that it is vital for creating a successful retail destination and for ensuring the long-term sustainability of the downtown.¹⁷⁵

The results shown in Table 5 and Table 6 suggest this strategy does not form a very important part of the budgetary allocation for most BIDs. One explanation could be that both surveys defined economic development as "offering incentives (such as tax abatements or loans) to new and expanding businesses."¹⁷⁶ Also, this definition can be limiting. One limitation of this definition is that usually, only governments can offer tax abatements and BIDs generally facilitate the process (not directly offer such incentives). Moreover, BIDs often undertake many other activities to develop business and retail such

¹⁷⁵ The Henley Centre report, 22.

¹⁷⁶ Mitchell, 18.

as recruitment programs, technical incentives, and procedures to establishing common covenants.

The confusion created by this definition is apparent in the separate percentages solicited by a similar question in the International BID survey. This question asked, “How would you describe your organization’s involvement in expanding retail activities?” showed that 19% of the respondents were very involved and another 16% were somewhat involved. A follow-up question on “Which of the following actions does your organization take to support retail activity?” showed that in addition to other activities 10% of the respondents offered business incentives! The numbers suggest that BID involvement in business development strategies is still very low.

However, in the presence of multiple strategies and incentives further research is required to understand the extent of BID involvement in this process. To understand the business development activities and programs undertaken by BIDs the study classifies them into ‘passive recruitment programs’ and ‘proactive strategies’.¹⁷⁷

Passive Recruitment Programs: The downtown organization does not try to either identify or directly attract prospective tenants. The BID involves itself with providing research activities such as a market study and may sometimes also engage in facilitating permits and approvals. The market study uses the economic and demographic profiles of the population within the area to create a profile of the customers, occupiers, vacant plots and market values. It may also include a plan for desired ‘occupier mix’ and suggestions for storefront improvement. However, under the passive strategy the BID would leave the implementation to the property owners or to organizations like the chambers of Commerce. For example, the City Center District in Philadelphia follows such a passive recruitment program.

Proactive Strategies: Proactive strategies actively try and recruit retailers for the downtown. This concept of identifying and promoting the ‘right’ retail mix is based on the shopping center formula that defines the number and types of businesses that should be together to optimize this carefully managed shopping environment. Efforts include

¹⁷⁷ Milder, 115-131.

elements of the passive strategy such as the provision of a market study. Additionally, BIDs use the market study to identify current and potential customers, informing all the stakeholder of the factors affecting viability of the retail enterprise, and to establish priorities for developing retail business recruitment programs.¹⁷⁸

Proponents of the proactive strategy like Mildner suggest that this program is more advantageous for downtowns for several reasons.¹⁷⁹ According to him, one of the positive aspects is that this program makes it easier for property owners and brokers to get high quality tenants as well as facilitates the probability of prospective investment. Furthermore, it reduces red tape at the early stages of the recruitment process by narrowing the range of firms that need to be approached. This enables the BID to undertake a more focused sales campaign. Manchester City Centre Management Company and CV One in the United Kingdom follow the proactive approach.

An example of a targeted activity for attracting consumers is the provision of entertainment and dining facilities that “enable them to stay longer, and increase the number of shopping occasions when they consider using the area.”¹⁸⁰ Times Square BID in New York has been particularly active in attracting and promoting shopping and entertainment. For example, besides retaining and increasing retail and commercial businesses, the BID attracted new investment from some of the major entertainment investors between 1993 and 1997. In 1993, the BID contracted with Disney to renovate the ‘New Amsterdam Theatre’ that opened in May 1997. In 1996, New 42 opened the ‘The New Victory’ theatre on 42nd street and 42DP signed the lease with Forest City Ratner Companies for retail/entertainment development including Madame Tussaud’s and an AMC movie complex.¹⁸¹

Formalized Retention Programs: Besides the formal recruitment program, most BIDs also have formalized retention programs to prevent existing retailers from relocating. Strategies include establishing frequent contact with the local retailers

¹⁷⁸ Cloar et al., 58.

¹⁷⁹ Milder, 116.

¹⁸⁰ The Henley Centre report, 21.

¹⁸¹ Times Square Business Improvement District, “*Times Square Time Line as of 11/98*,” <http://www.timessquarebid.org/bookshelf/pdfs/timeline.pdf> (16 March 2003).

through various methods such as store visits, meetings, newsletters, and annual reports, providing technical and financial services to support and help existing retailers, and offering financial incentives through loans and grants. An example for each of strategy is provided in a chronological order.

A key part of the Manchester City Center Management Company and CV One's national campaign to attract new retail businesses is the production of high-quality information booklets and other material about the market, which are sent to key national and international retailers. Alliance for Downtown provides a downtown incentive calculator program that allows firms to calculate the dollar amount they save by remaining or relocating in the downtown; and a downtown space finder program that allows firms to find commercial and retail spaces available in Lower Manhattan.¹⁸² In Downtown Tulsa (in the United States), the combination of a potential six-months free rent and a low-interest loan program was successful in generating a renewed focus on the downtown. Downtown Alliance has partnered with Seedco to offer grants, loans, and wage subsidies to small businesses after the tragedy of September 11.

Establishing Common Covenants: A few BIDs also engage in the process of establishing common covenants, similar to shopping malls, for retail facilities in the downtown. These covenants control things such as uniformity of shop fronts, display windows and business hours, approval of remodeling programs, and control of external noise and light. The goal is to promote an integrated image similar to the shopping malls.

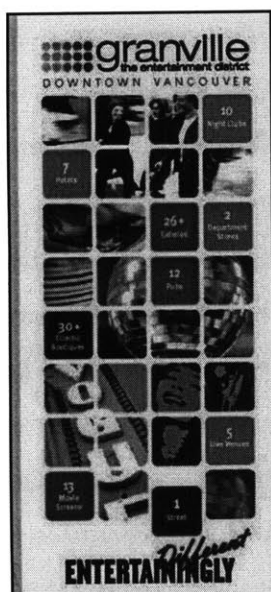
However, it is difficult to establish such a degree of control in the diversified environment of the downtown. For example, it is desirable to have business hours that are standardized in terms of closing time as it enhances the environment for evening shopping. According to the Urban Land Institute's handbook, "Evening shopping has become a major force in retailing. The practice has shifted the peak hours of trade in traditional shopping schedules to such a point that most centers now stay open six nights

¹⁸² Downtown Alliance, "Doing Business," <http://www.downtownny.com/doingbusiness_index.asp> (4 April 2003).

a week. Evening sales now typically account for 30 to 40 percent of a center's trade."¹⁸³ However, this approach has usually been a controversial area as it recommends extended evening and weekend operations that are typically disagreeable for the mom and pop stores.

(b) Consumer Marketing and Promotion

As McClure notes, "the spending within a marketplace is a function of the population that can be attracted to the market."¹⁸⁴ The coordinated promotion strategy used by shopping malls promotes a 'brand' image that helps potential users associate



Picture 5: Logo and Brand of the Granville District
Source: Downtown Vancouver Website

certain environmental characteristics with the name of the mall. For example, the name of the West Edmonton Mall in Canada, conjures up an image of an environment with many shops and entertainment facilities, and not of any particular shop name. Therefore, the stores located in the Mall benefit from being a part of the mall.

This strategy also has substantial merit in the downtown context. In a rapidly globalizing world, downtowns face competition from the alternative commercial centers. In addition to this, the presence of individual businesses that are actively marketing their own brand image ends up sending mixed and chaotic images of the downtown to the users. To compete in such a competitive situation, both the downtown and the retailers would benefit from a coordinated marketing and promotional program that associates an image with the downtown as well as targets potential users.

¹⁸³ John A. Casazza and Frank H. Spink, Jr., *Shopping Center Development Handbook*, 2nd ed. (Washington D.C.: ULI –the Urban Land Institute, 1985), 185.

¹⁸⁴ McClure, 224.

BIDs undertake a variety of techniques to market and promote their area among the different consumer markets. Most of them have media campaigns that use jingles on radio or television. These campaigns are often complemented with other initiatives such as the creation of websites, email networks, and newsletters. For example, Downtown Vancouver BIA developed a new logo and brand for Granville, as “The Entertainment District.” To promote this logo the BID produced and distributed 30,000 brochures utilizing the new branding.¹⁸⁵



*Picture 6: Poster of
“Broadway on
Broadway” Festival
Source: Times Square
BID Website*

Another noteworthy initiative is Manchester City Centre Management Company’s striking poster campaign titled “This is Manchester.” The campaign featured colorful images that promoted the city center as a popular residential/tourist/visitor and shopping destination.¹⁸⁶

In addition to these marketing and communication incentives, many BIDs undertake the production of annual festivals and events. According to Michelle Shannon, the marketing director for City Center District, “the goal of these activities is to reinforce the image of the downtown as a destination and to bring in consumer markets that typically underutilize the downtown.”¹⁸⁷ Bloor-Yorkville BIA hosts the International Film Festival in September and host of the Yorkville Quarter Jazz Festival in June.¹⁸⁸ Times Square BID hosts widely covered events such as “New Year’s Eve in Times Square,” the flavorful event of “Taste of Times Square” restaurant festival, and

¹⁸⁵ Downtown Vancouver BIA, “Retail and Entertainment Committee,” <http://www.downtownvancouver.net/content/dsp_content.cfm?fuse=dvbia&box=committee&key=entertain> (16 Mar 2003).

¹⁸⁶ Manchester City Centre Management Company Limited, “City Centre Marketing Campaign,” <<http://www.manchestercitycentremangementcompany.co.uk/marketingmanchester.html>> (18 March 2003).

¹⁸⁷ Michelle Shannon, Marketing Director, City Center District, *Interview by author*, tape recording, 20 March 2003.

¹⁸⁸ Bloor-Yorkville BIA, “Shopping & Services Profile,” <<http://www.toronto.com/profile/145807/>> (2 April 2003).

"Broadway on Broadway" that is a free outdoor concert in September.¹⁸⁹ "Organizers of such events expect to create an excitement and a sense of enjoyment that leads to positive associations with the downtown as a place to work and visit. The hope is that participants will be intrigued to the extent that they will return on a more frequent basis."¹⁹⁰

Inherent in these marketing and promotional events is an understanding of the different consumer markets. The International BID Survey divided the consumer markets in to five categories and asked the BIDs to identify which of these markets they targeted. Table 7 shows the results for Canada.

Table 7: Percentage of BIDs in Canada that Target Different Consumer Markets

	Tourists and visitors	Suburban residents	Downtown residents	Downtown office workers	Students	Other
Percentage of BIDs	39%	32%	28%	26%	16%	6%

* $N = 348$

Source: Lorlene Hoyt, *International BID Survey*

Table 7 shows that most BIDs in Canada target tourists and visitors. This is also true for some BIDs such as the Times Square BID in the United States. Times Square BID even identifies the type of tourists that visit the area and use the data to direct the marketing and promotion strategies.¹⁹¹

(c) Policy Advocacy

BID provide the common platform through which the interests of the producers, the users, and the intermediaries can formulate a common strategy that promotes the interests of the individual groups as well as the larger interest of the downtown. Often,

¹⁸⁹ Times Square BID, "Events," <<http://www.timessquarebid.org/events/index.htm>> (16 March 2003).

¹⁹⁰ Cloar et al., 58.

¹⁹¹ Times Square BID, *Annual Reports for 1997, 1999, and 2000*, <<http://www.timessquarebid.org/bookshelf/>> (6 March, 2003).

governments decide on policies without taking a vote of popular opinion from the retail and business interests. In such a situation, BIDs advocacy efforts try and ensure that the interests of the big and the small retailers are represented and given fair consideration. While policy advocacy efforts may not always be successful, there have been instances where the BIDs efforts have been successful.

For example, in Seattle, a proposal to expand Westlake Park would have precluded the promised reopening of Pine Street to vehicular traffic. Efforts by the Downtown Seattle Association brought together the interests of the small merchants, large retailers and other private sector interests in a coordinated and effective protest that led to the proposal's defeat.

In the December of 2002, years of lobbying efforts by the Bloor-Yorkville BIA were successful when the City finally installed traffic signals between Bay Street and Avenue Road, a strip that has long been considered a rush hour tow-away zone.¹⁹²

Downtown Vancouver BIA's active involvement in policy advocacy helped in modifying proposals detrimental to the retail activity in the downtown. These include a parking tax that was proposed in 1993, the potential loss of up to two lanes on the Burrard Street Bridge for non-motorized vehicles, and possible loss of on-street parking spaces for the Rapid Bus proposal.¹⁹³

(d) Transportation

Retail survey reports suggest that congestion and lack of parking spaces in the downtown prevent the time-constrained shopper from shopping there. Traffic congestion is added to by unregulated vehicle loading stops and congestion caused by sidewalk vending. On the other hand, the suburban retail outlets located near freeways and

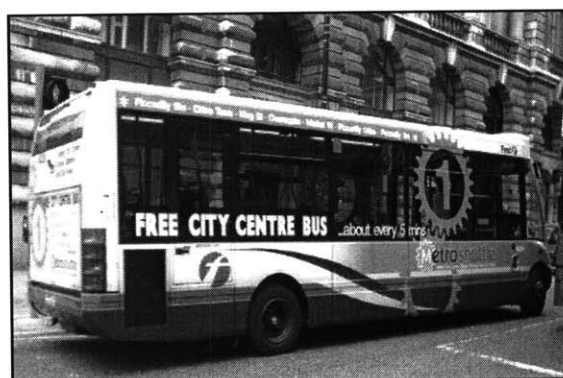
¹⁹² Bloor-Yorkville BIA, seasonal Newsletter "Bloor-Yorkville News" (Winter 2003), <<http://www.toronto.com/infosite/145807/BY%20Winter%20Newsletter.pdf>> (3 April, 2003).

¹⁹³ Downtown Vancouver BIA, "Transportation and Urban Policy committee," <http://www.downtownvancouver.net/content/dsp_content.cfm?fuse=dvbia&box=committee&key=parking> (16 Mar 2003).

sporting enormous parking facilities, are free from such encumbrances. These factors combine to reduce the 'footfall' in the downtown.

BIDs are involved in designing and integrating the transport facilities in the downtown through long-term policy advocacy (described above) and day-to-day management activities. The day-to-day management activities of BIDs include managing and expanding the parking supply within the downtown; creating bus routes for customers; controlling vehicle loading, and creating logistics for regular suppliers; and providing other services such as validation programs and managing municipal garages.¹ For example, Times Square BID's "Parking Guide" lists the parking garages by area. Center City District Philadelphia in conjunction with other companies launched the advertising campaign "Don't Drive it. Transit" that features a series of catchy slogans that bring a fresh, edgy approach to promoting transit.² Downtown Vancouver BIA partnered with Translink in a \$150,000 "Great Discoveries on Transit" campaign that also featured a holiday season billboard, "Discover the Holidays Downtown by Transit."³

Some BIDs like the Manchester City Centre Management Company Limited in the United Kingdom even sponsor shuttle services that serve the dual purpose of increasing accessibility of the downtown for the shopper while reducing vehicular congestion by providing an alternative to individual vehicle use.



Picture 1: The Free City Center Bus Service Sponsored by Manchester City Center Management Company

¹ Segal, 3.

² City Center District, press release, "CPTMA Advertising Campaign: Don't Drive it. Transit" (17 September 2002), <<http://www.centercityphila.org/prelease050102B.html>> (2 April 2003).

³ Downtown Vancouver BIA, "Marketing & Communications Committee," <http://www.downtownvancouver.net/content/dsp_content.cfm?fuse=dvbia&box=committee&key=communication> (19 Mar 2003).

(e) Other Facilities

Shopping malls often provide common facilities like public toilets and baby-changing facilities that “enhance the ease with the consumers can use the shopping area.”¹⁹⁷ According to retail surveys by BURA, these services add value to the shopping environment of the downtown.¹⁹⁸ To make the downtown shopping ‘experience’ comparable many BIDs undertake the provision of such facilities. For example, CV One, the city center management company in Coventry, manages and maintains all public toilets in the downtown. The importance of these facilities from the users perspective is underscored in a public review that Bloor-Yorkville BIA in Toronto received; “there should be public bathrooms available so we do not have to bother stores and restaurants.”¹⁹⁹

Tier III (Ensure Sustainability)

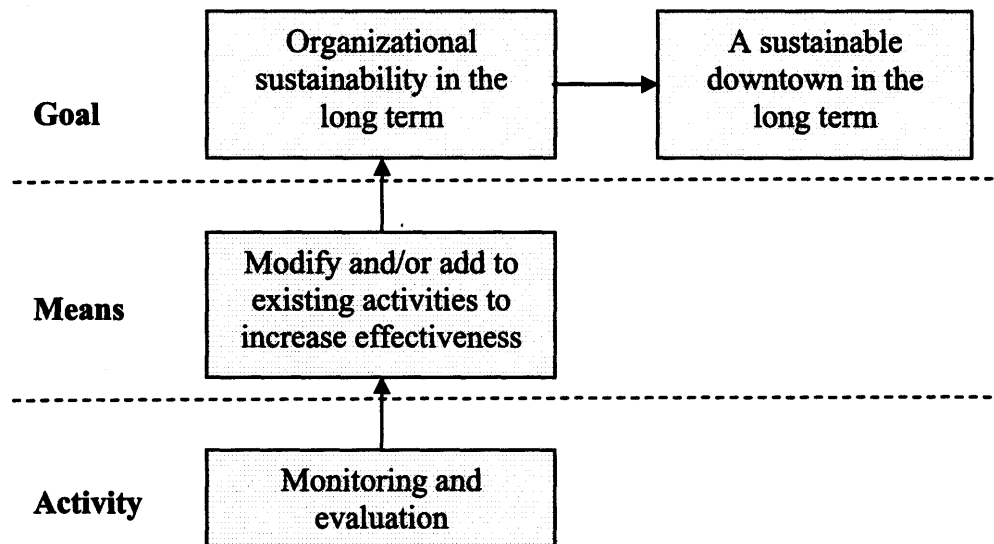
Tier III activities ensure the long-term sustainability of the organization and the downtown. The activities in this Tier include the development of rigorous monitoring and evaluation techniques and the provision of social services. This level allows BIDs to create organizational systems that are based on an efficient feedback system. For example, as shown in Figure 7, monitoring and evaluation enables the organization to target its activities according to the requirements of downtown retailing.

¹⁹⁷ The Henley Centre report, 21.

¹⁹⁸ British Retail Consortium, “Urban Futures: Funding From BIDs,”
<www.brc.org.uk/Policies/Environment/BIDS%20presentation.ppt> (25 July, 2002).

¹⁹⁹ Bloor-Yorkville BIA, “Consumer Ratings and Reviews,” 30 November, 2002,
<<http://www.toronto.com/profile/145807/>> (4 April 2003).

Figure 7: Processes that Create Long-Term Sustainability



However, the findings suggest that many BIDs do not measure performance. Mitchell suggests that 54% of the BIDs in the US had set benchmarks to measure performance and 42% had not set any.²⁰⁰

(a) Monitoring and Evaluation Techniques

These techniques are important as they allow BIDs and the other stakeholders to understand the effectiveness of the BIDs strategies by evaluating which areas need attention and allowing them to modify techniques accordingly. An ATCM publication, suggests that these indicators perform a variety of functions: they allow town center managers to assess the health and performance of the town center over time; they allow the stakeholders to monitor the impact of town management work; and they show the relevance of the town center to the local economy and suggest areas that require attention.²⁰¹

²⁰⁰ Mitchell, 22.

²⁰¹ Association of Town Centre Management, *Key Performance Indicators* (London, UK: ATCM), <<http://www.atcm.org/masterframe.htm>> (12 March 2003).

However, most activities are not directly measurable as some have tangible benefits while many others do not. Besides, BID activities are not isolated from local, state, national, and international trends. Performance measures adopted typically relate to the specific nature of activities being undertaken by the BID.²⁰² For example, maintenance programs may measure things such as tons of trash collected or linear feet of graffiti removed; safety programs may track crime rates and citizen assists; while marketing initiatives may monitor sales tax receipts and consumer awareness and perception of downtown; and economic development programs may count building vacancies and pedestrian counts. The ATCM publication, titled "Key Performance Indicators," provides a formal categorization for the performance measures and is useful to understand the impact of the performance indicators at each level of the economy.

However, the findings suggest that one of the most popular techniques is 'consumer surveys' that are used to assess intangible measures such as the degree of clean, safe, and convenient. For example, according to the surveys, consumers in the Center City District are very satisfied the BID' maintenance and security program. The data suggest that 75% of visitors find the area cleaner and safer. According to the survey administered by CV One, there has been in a 5% decrease in crime in 2001.²⁰³ The success of the Manchester City Center Management Company's marketing initiative to promote the downtown was measured through a research effort that involved over 1500 in-street interviews and 300 telephone interviews. The results show that 'prompted ad awareness' for Manchester City Centre was exceptionally high at 70%.²⁰⁴

Though consumer surveys are useful, the Henley center report suggests that 'footfall' is a better indicator as it provides outputs that can satisfy the requirements of the different interest groups.²⁰⁵ For example, footfall can be used to measure consumer

²⁰² Segal, 4.

²⁰³ The statistics are based on the data provided by CV One to the investigator (the city center management company for Coventry).

²⁰⁴ Manchester City Centre Management Company Limited, "City Centre Marketing Campaign," <<http://www.manchestercitycentremanagementcompany.co.uk/marketingmanchester.html>> (18 March 2003).

²⁰⁵ The Henley Centre report, 36.

perception of safety increase in potential revenue. The assumption is that a reduced fear of crime would translate into a higher footfall, which that would in turn generate more spending. Many of the successful BIDs like the Center City District Philadelphia, Manchester City Centre Management Company, and Downtown Vancouver BIA measure footfall. However, most BIDs do not have methods for measuring footfall and typically rely only on consumer surveys and results obtained from tracking their activities.

(b) Social Services

Some BIDs have taken up the mantle of social responsibility that serves the dual purpose of helping vagrants and panhandlers as well as getting them off the streets where they are possible threats to the shopping environment. Examples include the provision of a funding pool, employment in the BID maintenance services, counseling services, and temporary housing. A more recent effort has been setting up different types of community courts. Table 8 highlights some of these efforts.

Table 8: Comparison of Social Service Activities

BID	Social Service Programs
Times Square BID	Provides employment opportunities for 'offenders' in the maintenance crew, and a "Midtown Community Court" program
Center City District	Provides employment opportunities to disadvantaged workers by employing them for performing graffiti removal and landscaping maintenance, and a "Demonstration Community Court" program
Alliance for Downtown	"Homeless Outreach" - sponsors the John Heuss House to provide emergency temporary housing and professional counseling for the area's homeless,
Downtown Vancouver BIA	"Downtown Clean Team" has a contract with Street Youth Job Action and the City, and has pioneered the new "Drug Treatment Court" experiment.
Downtown Yonge Street BIA	Has applied for grant to support youth services
Manchester City Centre Mgmt. Company	"Change for the Better" campaign - an "alternative" giving scheme. The amount collected is used to buy spare clothing, provide treatment, and recreational equipment.

Source: Retail Questionnaire used for Interviews

Providing a long-term solution that is beneficial to the society would be helpful for BIDs as they would not have to deal with this problem repeatedly. At the same time, the pursuit of such a strategy enhances the social fabric of the downtown. However, literature suggests that very few BIDs undertake this activity.

SUMMARY

The findings of this chapter suggest that most BIDs undertake activities from Tier I and Tier II. Their activities promote downtowns as 'destinations' for retail and entertainment giving the retail environment of the downtown a distinctive difference from the suburban retail offer. In addition to this, their style of operation stimulates local structures and networks and focuses on promoting the character and identity of the place, rather than importing standardized solutions that erode the distinctiveness of an area.

However, very few BIDs carry out proactive retail development and Tier III activities that are necessary to ensure long-term sustainability. Therefore, though BIDs are successful in changing both the physical environment and the negative perception of the downtown, their continued success would depend upon the ability of the organizations to adopt all three Tiers of the model.

The following chapter uses case studies to provide a greater understanding of the processes and practices of BIDs in North America and the United Kingdom.

Chapter 4: Case Studies

INTRODUCTION

The previous chapter presented a Tier model that analyzed the role and importance of BID strategies in promoting the retail economy of downtowns. The model's findings suggest that BIDs play an important role in promoting the retail economy and are successful in changing both the retail environment and the cognitions of the consumers and the entrepreneurs.

This chapter takes the findings of this model and examines them through the lens of nine case studies in the US, the UK, and Canada. The aim is to provide a synoptic, macroscopic, and global explanation of BID practices in these countries. In addition to this, a brief overview of all the BIDs studied for this research is provided as Appendix F.

ANALYSIS OF THE NINE CASE STUDIES USING THE TIER-MODEL

This section investigates some of the activities of the nine BIDs according to the model. Four to eight cases have been used to analyze best practices in each Tier. The analysis begins with an overview of the organizational and financial system that forms the basic infrastructure in the model. This is followed by a general discussion of the Tier I activities. The segment on Tier II activities focuses on business development strategies and compares these across the different BIDs. Finally, the analyses of Tier III activities discuss the importance of performance measures.

The Organizational and Financial System (Create the Basic Infrastructure)

According to the model, the organizational and financial systems provide the basic infrastructure, which is essential for undertaking the activities across the three Tiers. The findings suggest that though this level is similar across BIDs, the local context usually determines the requirement and the context in which these activities are

undertaken. This context is usually determined by factors such as the extent of deterioration of the area and the efforts undertaken by the public, private, and other organizations to remedy the situation.

Table 9 compares the organizational profile of the cases to see if they support the argument presented earlier. The comparison of the organizational and financial systems of the nine BIDs suggests that all these BIDs (with the exception of Downtown Yonge Street BIA and Liverpool Retail Gold Zone) are located in large cities.²⁰⁶ They have at least four years experience, and all of them have budgets that are in excess of the median BID budget of \$200,000.²⁰⁷

A comparison of the primary objective suggests that among these BIDs there is a focus on using the retail economy to revitalize and promote their downtowns. However, a comparison across countries suggests that the UK has a more explicit focus on retail when compared to the United States and Canada. The interviews with the BID directors in the United Kingdom suggest that this focus and drive to promote retail is observable in most of the BID-like organizations in the UK. This observation has also been confirmed by the findings and suggestions of the Henley Center's report on retail.

²⁰⁶ As defined in the BID selection criterion.

²⁰⁷ Mitchell, 17.

Table 9: The Organizational Profile of BIDS Selected for the Case Study

BID and Year Established	Organization (Type and Budget in 2003)	Size	Financial Structure	Goal / Mission	Performance Measures
Times Square BID 1992	501c3 non-profit \$7,000,000	399 property owners	0.3% of the assessed value of commercial buildings. Residential owners pay \$1.00 per year	"Clean, safe, and friendly" for all those who live, work, and visit the area.	Customer surveys, pedestrian counts, and records of programs
Center City District 1990	Quasi-governmental \$12,800,000	120 blocks	Assessed value \$10 to \$400,000 and other sources	To promote the city center as an attractive location for shopping, entertainment, living & working	Customer surveys, pedestrian counts, and records of programs
Downtown Alliance 1995	Non-profit \$13,200,000	500 properties	Special tax assessment on commercial space and other sources post 9/11	Primarily a business district, where retailers are an important component.	Customer surveys, Pedestrian counts, and number of businesses
Bloor-Yorkville 1986	Non-profit \$1,200,000 (CAN)	27 blocks	Special tax assessment, and subsidies and grants	Toronto's premiere shopping, dining & tourist district	Records of programs
Downtown Vancouver 1990	Quasi-governmental \$1,800,000 (CAN)	90 blocks	33.8 cents per \$1,000 of assessed property value)	Promote the downtown as the place to live, work, shop, and visit	Customer surveys, other surveys, and records of programs
Downtown Yonge St 2001.	Non-profit \$1,670,415 (CAN)	12 blocks	Special tax assessment, subsidies, and grants	Re-brand area as Toronto's premiere shopping, business and entertainment destination	Customer surveys, other surveys, and crime rates
Manchester City Centre Mgmt. Company 1998	Incorporated-April 2000 Quasi-government Over £1 million	Entire city center	Grants, and income earned through projects	International Destination for retail, entertainment and business	Customer surveys, pedestrian counts, retail vacancies, and retail sales
CV One Ltd. 1997	Independent Private Co. £7,673 million.	Entire city center	Council, Grants, and Income earned through projects and membership scheme	Regional retail center, differentiated by its 'local boutique' retail shops	Customer surveys, other surveys, and records of programs
Retail Gold Zone BID April 2003	1992 - Liverpool First Quasi-government £8000	Original 'retail core' of the city center	Mix of money from the Council (70%), NWDA (20%) and Pvt. Sector voluntary donations (10%)	To re-establish the identity of Liverpool in the national retail hierarchy	Customer and other surveys, pedestrian counts, and records of programs

Source: Retail Questionnaire used for Interviews and materials collected from the BIDs

One of the reasons for the retail is that the initiative to create and manage these organizations has been taken by mostly retailers and businesses.²⁰⁸ Table 10 compares the percentage of retail in the board and in the sources of assessments for these BIDs.

Table 10: Retail Involvement Measured by Board Members and Assessments

Percent	Manchester	CV One	Liverpool	Times Square	Alliance	CCD	Bloor-Yorkville	Vancouver	Yonge
% Board members from retail	40%	25%	35%	25%*	10%	N/A	25%	25%	20%
% Revenues from retail	N/A	10%	10%	N/A**	N/A	13%	30%	10%	54%

* Guess Estimate

** Budget suggests "retail continues to be important sector"

Source: Retail Questionnaire used for Interviews

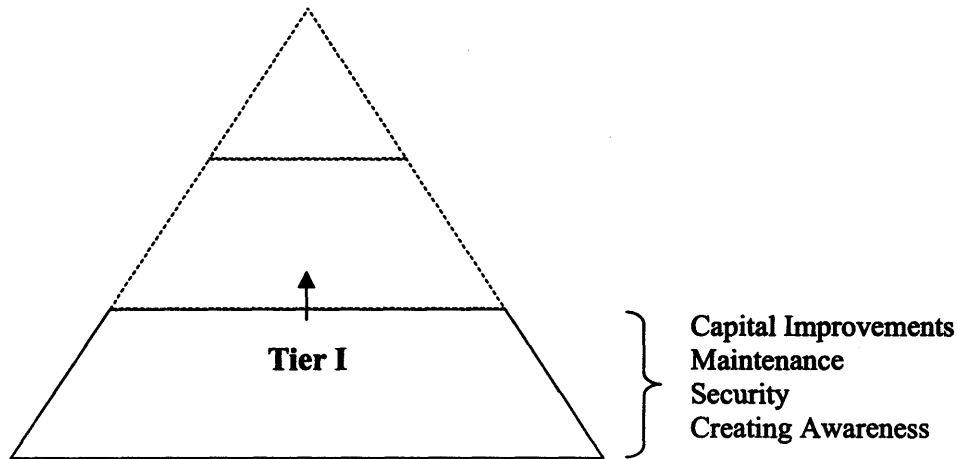
Table 10 suggests that at least 10% of the board and 10% of the assessments are from retail. This number is quite high considering that BID boards typically have members from the local government and banking institutions and the principal assessment payers on their board. In the case of the UK, the funding is still largely from the government grants. The findings suggest that for all the three BIDs in the UK, the revenues from government funding are in excess of 70%. However, it would be interesting to study the change once the legislation formalizing BIDs is passed in the UK.

Tier I Activities (Create the Necessary Environment)

Tier I activities (illustrated in Figure 8) provide the basic services that change both the physical environment and the negative perception of the downtown. They are required to create the environment necessary to undertake activities from the other Tiers.

²⁰⁸ For the US and the UK, this was covered in the interviews. For Canada, it was covered in the International BID Survey and was also covered during the interviews.

Figure 8: Tier I



These activities have been typically undertaken to counter the popular perception that downtowns are 'dirty' and 'unsafe'. This perception has contributed significantly in preventing consumers from coming downtown and adds to the list of disincentives that keep most anchor stores from locating downtown.

However, unlike the shopping malls, there is no provision for enforcing maintenance and security requirements in the downtowns. BIDs undertake security and maintenance programs to overcome this problem and enhance the consumer experience. The need for such programs has been aptly stated by the businesses in the Downtown Vancouver Business Improvement Association (DVBIA), "if the basic problems deterring people from coming downtown are addressed, business is quite capable of selling and promoting itself."²⁰⁹ Accordingly, the DVBIA devotes 56% of its budget in its clean and safe programs.²¹⁰

Like DVBIA, most of the other BIDs that were surveyed also allocate a very high percentage of their budget to Tier I activities. Table 11 compares the principal activities according to percentage of budget allocated.

²⁰⁹ Downtown Vancouver BIA, *2001/02 Annual Report*, <<http://www.downtownvancouver.net/pdfs/2001-2002s.pdf>> (14 March 2003).

²¹⁰ Percentage allocated in the annual budget of the fiscal year 2001-02.

Table 11: Principal Activities (By Percentage Budget Allocated)

BID	Marketing & Promotion	Security	Maintenance	Capital Improvements	Others
Times Square BID	53%	16%	12%	2%	
Center City District	13%	21%	33%	6%	
Alliance for Downtown	39%	21%	18%	23%	14% ²¹¹
Bloor-Yorkville	30%	Arrangement with city	15%	15%	
Downtown Vancouver	20%	56%	Security & maintenance percentage is combined	N/A	
Downtown Yonge	10%	29%	20%	34%	
Manchester City Centre Mgmt. Co.	Very involved*	Very involved*	N/A	N/A	
CV One	25%	9%	12%	<5%	39% ²¹²
Retail Gold Zone	34%	25%	30%	Undertaken by City	

* Very Involved: As marked in the International BID Survey

Source: Retail Questionnaire used for Interviews

Table 11 demonstrates that the BIDs undertake a combination of activities from Tier I and Tier II, where capital improvements, security, and maintenance are from Tier I while marketing and promotion is from Tier II. According to the data, Tier I activities form a significant portion of the BID activities. The numbers suggest that as a percentage of total budget, Tier I activities are above 50% for most of the organizations: Alliance for Downtown 62%, Center City District 60%, Downtown Vancouver 56%, Downtown Yonge Street 83% and the Retail Gold Zone in Liverpool (will allocate approximately) 55%.

However, the proportion of funds allocated is not standardized. The amount is usually determined by the need of the downtown and by the arrangement the BID has

²¹¹ Other refers to Business Development activity undertaken by Alliance for Downtown.

²¹² Other refers to Parking and Transport activity undertaken by CV One.

with the City regarding the provision of these services. For example, Manchester City Center Management Company does not employ its own maintenance team. It manages the City's maintenance crew and even provides the equipment required for power washing of sidewalks. In Coventry, the local council gives the BID the maintenance amount allocated in its budget, which they use to provide the required level of services.

As the local context improves, the percentage allocated for these Tier I activities may gradually go down. Table 12 shows the decline in the percentage allocated for Tier I activities in the annual budget of Times Square BID.

Table 12: Tier I Budget Allocation, Times Square BID²¹³

Activity	1996	1997	1998	1999	2000
Public Improvements	6%	3%	3%	1%	2%
Public Safety	31%	29%	28%	23%	17%
Sanitation	23%	22%	20%	16%	12%

Source: Annual budget reports of Times square BID for 1997, 1999, and 2000

Besides having comparable categories of activities, BIDs also undertake similar programs within these activities. For example, BIDs often deal with vagrants and panhandlers, besides providing a uniformed presence to the downtown shoppers. Table 13 compares some of the common security programs.²¹⁴

²¹³ These are approximate percentages.

²¹⁴ Bloor-Yorkville has been excluded from the table as it does not undertake security initiatives.

Table 13: BID Security Programs

BID Name	Enhanced Police Coverage (Own / Contract)	Downtown Ambassadors	Loss Prevention Officers	Control Panhandling and Graffiti	CCTV	Communication programs with businesses	Other Programs	Description
Times Square	Yes	No -has a visitors center	Yes*	Yes	Yes	Yes	Yes	Employs additional mobile patrol using vans and bicycles
Center City District	Yes	Yes**	Yes**	Yes	No	Yes	Yes	Computerized crime tracking and mapping and "Crime Prevention Services"
Alliance for Downtown	Yes	Yes	Yes	Yes	No	Yes	Yes	"Safe Corridor to the Subway" program, "Public Safety Awards" to ambassadors who do exceptional work
Downtown Vancouver	Yes	Yes	Yes	Yes	No	Yes	Yes	"Business Links" - a network facilitating sharing of active offender information and the "Downtown Mystery Shopper" program
Downtown Yonge Street	Yes	No	No	No	No	N/A	No	N/A
Manchester City Centre Mgmt. Co.	Yes	Yes	Yes***	Yes	Yes	Yes	Yes	"Retail Crime Operation" - includes "Stornet" and "Nitenet" two-way radio systems
CV One Ltd.	Yes	Yes	Yes***	Yes	Yes	Yes	Yes	"Retail Crime Initiative", "Anti-disruption Campaign", "Crime Reduction operation" and Secure car parks
Retail Gold Zone1	Yes	N/A	N/A	Yes	Yes	Yes	Yes	"Tidy Business Standards" campaign to promote clean, litter free city that awards businesses who pass criterion

* Called Public Safety Officers Program

** Combination of both programs called Community Service Representative Program

*** Called Street Crime Wardens

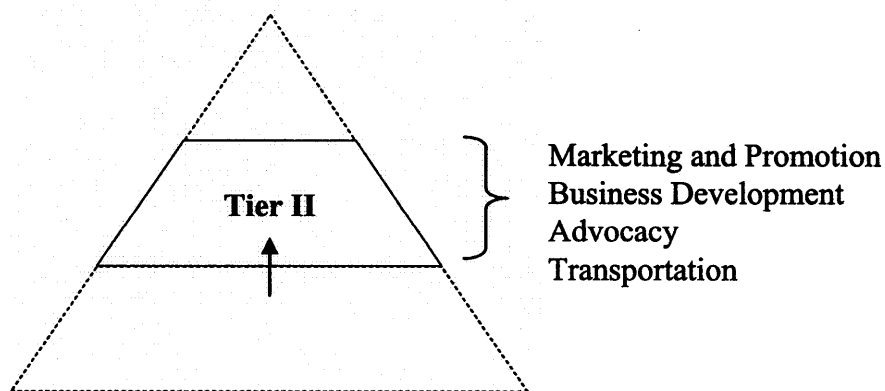
Source: Retail Questionnaire used for Interviews and material collected from the BIDs

Tier II Activities (Create Brand and Place Equity)

Creating the right retail mix is a desirable but difficult process because unlike a shopping mall the downtown does not have a cultivated retail environment. This section compares and contrasts the business development activities of the nine cases to examine the strategies these BIDs are using to promote the retail structure of downtowns.

Literature suggests that one of the most important ingredients of a successful commercial area is the presence of a good retail mix (where good retail mix is defined as a retail offer that caters to every section of the population). Though most downtowns started from such a position, their subsequent decline often resulted in the erosion of their retail diversity. Almost all the BIDs that were surveyed have faced the challenge of changing the retail offer in their area. According to the model, Tier II activities (illustrated in Figure 9) are most important for promoting and improving the retail offer of downtowns. The retail focus of these activities provides one way of reconciling the divergent goals of the retailers and the property owners as it promotes both brand and place equity.

Figure 9: Tier II



The data analyzed in the Chapter 3 suggested that BID involvement in business development strategies is very low. Table 11 showed that while 'marketing and promotion' as a percentage of budget allocated, was one of the top activities for all the nine BIDs, 'business development' activities did not feature among the top activities in the case studies also. The only exceptions were Alliance for Downtown and Manchester City Centre Management Company, for which the percentage allocation is not available.

However, during the interview, Gordon McKinnon, the Executive Director for the Manchester City Center Management Company, reviewed and highlighted the proactive strategies being used by the BID to improve the retail mix.

However, the data alone cannot be used to analyze BID activities as most of these organizations employ a variety of strategies that have not been included in the definition used by the surveys. Chapter 3 classified these strategies into proactive recruitment and passive business development strategies. Table 14 compares the business development strategies of the nine BIDs according to this classification.

Table 14: Comparison of the Business Development Strategy of the Nine BIDs

Strategy	Manchester	CV One	Liverpool	Times Square	Alliance	CCD	Bloor-Yorkville	Vancouver	Yonge
Proactive	Yes	Yes	Yes	Yes	Yes	No	No	No	N/A
Passive	No	No	No	No	No	Yes	Yes	Yes	N/A

Table 14 shows that all BIDs in the UK and two out of three BIDs in the US use proactive recruitment strategies. However, the BIDs in Canada rely on passive strategies. Downtown Yonge in Canada, a relatively new BID had provided only Tier I activities in the past year. However, the BID has recently collaborated with Ryerson University to collect data on the retail profile of the region. The BID plans to use this information to direct its future efforts.

The proactive and passive strategies are made up of a variety of approaches that may have a different focuses. For example, one strategy typically adopted by cities is to create huge shopping malls in the city center with the aim of attracting retail investment from key anchor stores. Providence and Boston in the United States are examples of this type of approach. On the other hand, Times Square BID in New York City has adopted an entertainment focused strategy. Table 15 compares some of the proactive and passive strategies observed in the case studies.

Table 15: Comparison of Various Business Development Strategies

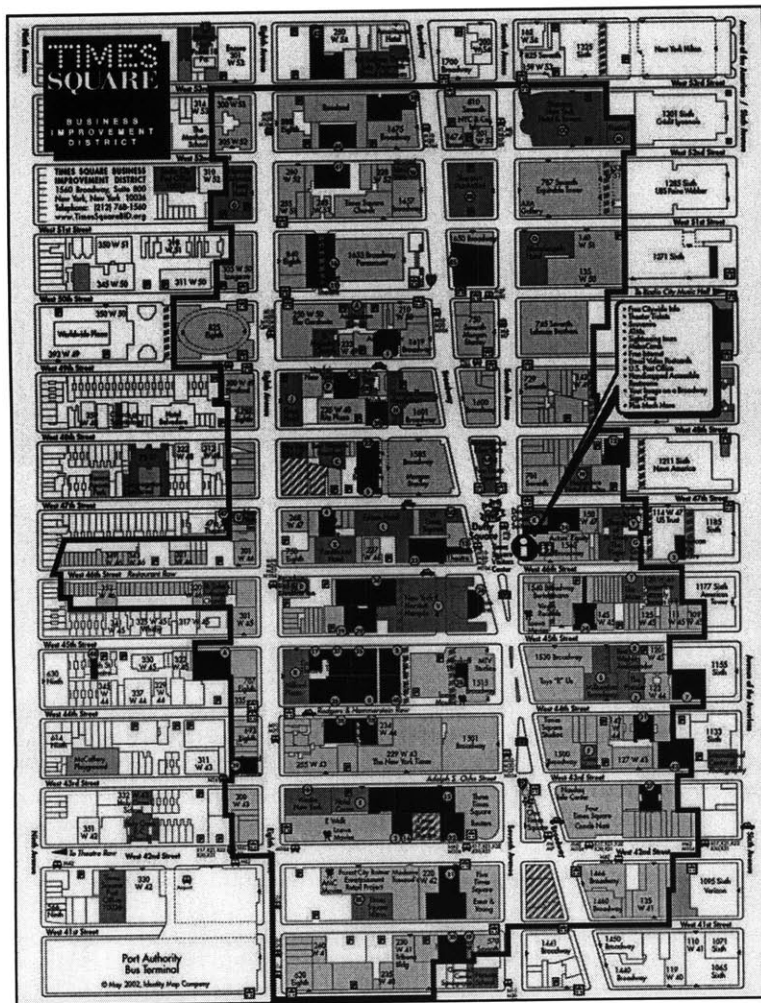
BID	Strategy	Focus of the Strategy
Times Square BID	Proactive	Entertainment focused strategy
Downtown Alliance	Proactive	Targeted business and retail development
Manchester City Centre Mgmt. Co.	Proactive	Targeted business and retail development
CV One Ltd.	Proactive	Develop malls to attract anchor retail. Also aims to target certain types of retail
Retail Gold Zone	Proactive	Develop malls to attract anchor retail
Bloor-Yorkville	Passive	Development guide
Center City District	Passive	Development guide

Table 15 suggests that within the proactive strategy group, Alliance for Downtown and Manchester City Centre Management Company have a similar strategy that focuses on promoting the area as the premier destination for retail and business activities. On the other hand, CV One and Liverpool are using a different type of proactive strategy that focuses on developing new facilities to attract retail. In the passive strategy group, Bloor-Yorkville, Downtown Vancouver, and Center City District appear to have a similar strategy. The following sections compare BIDs with a similar approach and focus in greater detail.

a. An Entertainment Focus

This section discusses the entertainment focused strategy adopted by Times Square BIDs to deal with the problem of changing a retail mix that was largely composed of adult-use establishments and dollar stores into a destination retailing area that integrates these businesses with other forms of retail and entertainment.

Background: In the early 1970s, the 42nd Street area in Times Square was



Picture 8: Times Square BID's Area Map
Source: Times Square BID Website

saturated with adult uses such as bookstores and establishments, other secondary-level retail stores like 'dollar' stores,²¹⁵ and street crime. In the early 1980s, City and State officials decided to formally join together to create the 42nd Street Development Project administered by the New York Empire State Development Corporation, which established a 13-acre renewal site covering two city blocks along 42nd Street between Broadway and Eighth Avenue.²¹⁶ The Plan

was to restore and to adapt the block's theaters for cultural and entertainment uses.

In April of 1990, the State succeeded in taking ownership of two-thirds of the Project site, including six of the street's nine historic theaters.²¹⁷ Shortly after the BID

²¹⁵ According to the Dollar Tree Stores, Inc. (Nasdaq: DLTR), Dollar stores are discount variety stores offering general merchandise at one-dollar price points.

²¹⁶ About the New 42nd Street, "The History of the block," 2002, <http://www.new42.org/about_history_chrono.cfm> (17 April 2003).

²¹⁷ Ibid.

began operations in 1992, the 42nd Street Development project finally cleared key sites on West 42nd Street - almost two years after winning all the lawsuits in the area.²¹⁸

While the government had initiated the development process, it needed an organization like the Times Square BID to take on the role of managing the ‘reinvestment’ process and of integrating the adult-use establishments with other residential and retail uses. Times Square BID timeline for the first six years (attached in Appendix G) suggests that in 1994, the BID was home to 47 adult-use establishments. However, according to this document, the efforts by the BID have succeeded in reducing the number of these organizations to 17 as well as integrating them into the retail and residential fabric of the area.

Approach: The strategy used by Times Square BID focused on attracting entertainment and dining providers into the area and promoting the area as a destination retailing center. The goal of approach was to change the retail mix of the nighttime economy. Promoting entertainment facilities, dining, and related retail activities enabled the BID to create an identity that was distinct from the downtown business district. It also created the infrastructure to attract high footfall and different customer profiles during the night.²¹⁹ The timeline provides further details of the activities undertaken by the BID to successfully turn the area around.

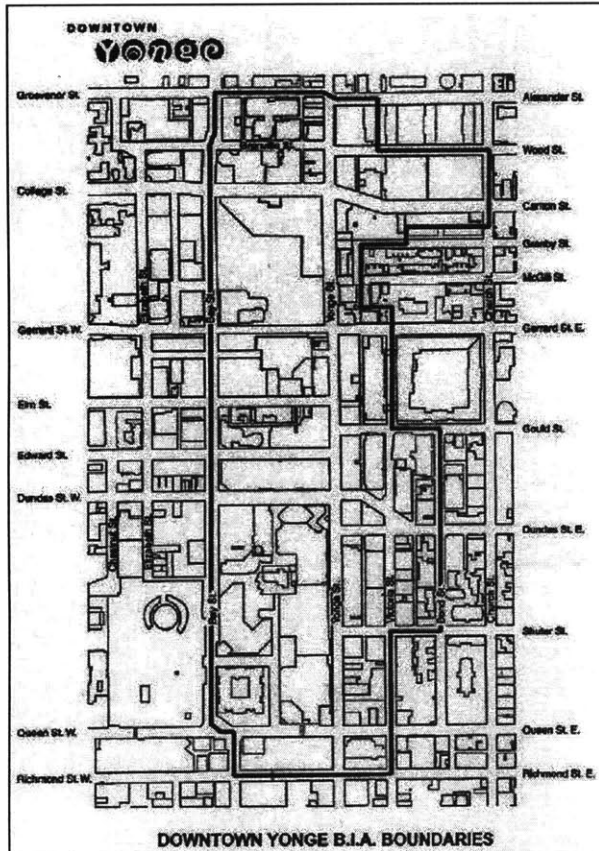


Picture 9: The New Image of Times Square – A Place for Destination Retailing
Source: Times Square BID Website

²¹⁸Times Square BID timeline.

²¹⁹ The Annual reports of the Times Square BID profile the number and type of retail, restaurants, and entertainment facilities in the BID and the type and number of clientele these establishments attract.

Case of Downtown Yonge: Times Square BID provides an inspiring example for



Picture 10: Downtown Yonge Street BIA Area Map

Downtown Yonge, an new BID that has a similar history and is currently struggling to resolve comparable issues.²²⁰ Once Toronto's Main Street, Yonge Street had fallen into a state of disrepair by the late seventies.²²¹ The high-end shops and quality retailers had been replaced by secondary retail, adult-use establishments, vacant storefronts, and frequent shoot-outs and robberies. In 1993, the owners of the Eaton Center, one of the largest and most successful retail establishments in the area took the initiative to start a dialogue for revitalizing the area. This initiative eventually resulted in the formation of the Yonge Street Business and Resident

²²⁰ Though Downtown Yonge Street BIA started operations in 2001, it has continued and built upon the efforts of a previous organization – Yonge Street Business and Resident Association and the efforts of the City. This provides a historic context that enables us to provide a comparison of historic background of the two organizations. However, the successes of the two BIAs themselves cannot be compared as Yonge Street BIA has only now begun marketing and publicity efforts (similar to what Times Square BID has already achieved).

²²¹ Canadian News Wire, "Let's Face it: Yonge Street Façade Improvement Plan on the Move", press release, 25 June 1996.

Association (YSBRA) worked with the City to create a voluntary organization called Yonge Street Regeneration Program.²²²

However, the lack of financing limited the success of the organization in curbing the decline of the area. Eventually, the deteriorating condition forced the City to formalize the effort by forming the Downtown Yonge Street BIA in 2001.

The main focus in the first year of operation of the BID were Tier I activities of security, maintenance, and capital improvements. In addition to these, to make the area attractive to pedestrians, the BID has worked with the Eaton center to change its blank concrete wall that occupies almost a block of the street, into a more attractive façade.²²³

However, many adult-use establishments, dollar and convenience stores still form a significant part of the retail offer of the area. The BID is now planning to launch an aggressive marketing campaign to attract investment and 're-brand' the area. As a first step, the organization has lobbied to get a tourist area zoning for the Yonge Street area. This will allow retailers to remain open even on holidays. As one of the only areas in the downtown that is open on holidays, BID participants expect to attract investors and customers. In addition to this, it has commissioned a number of studies from students at Ryerson University, including a retail study to be completed in Spring 2003. One of these studies is by a student group called DDM Consulting.²²⁴ This group has recently completed a survey on the consumer markets served by the BID and an analysis of the built form of properties in the area. The BID will use this and the other studies it has commissioned to inform its long-term strategy for changing the retail profile of the area.²²⁵

²²² James Robinson, Executive Director, Downtown Yonge Street BIA, *Interview by author*, tape recording, 14 March 2003.

²²³ In return, the BID has assured the center that their levy would not increase disproportionately, guaranteed representation on their board, and agreed to a five year review mechanism to decide whether or not the Center wants to support the BID.

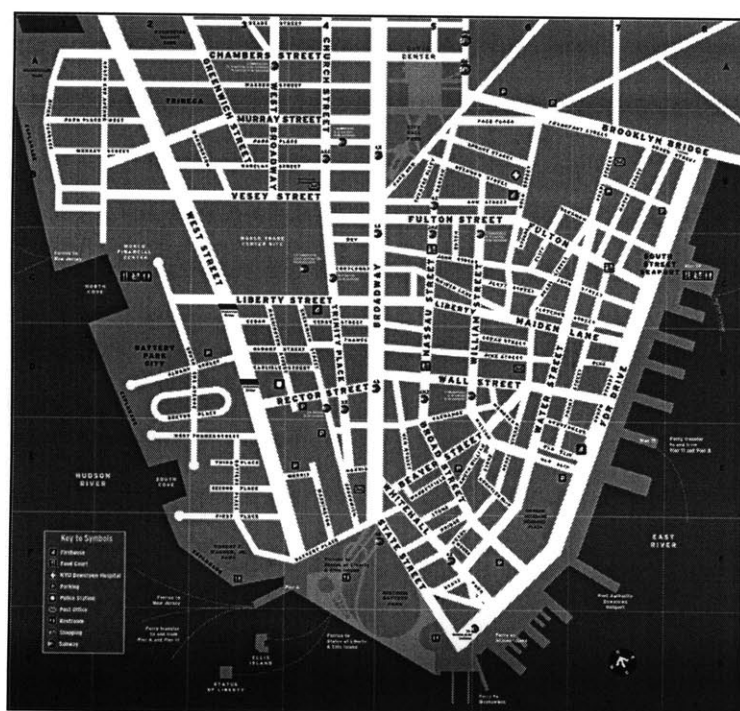
²²⁴ DDM Consulting, "Visitor and Building Profile of the Downtown Yonge Business Improvement Area," *Report prepared for the Downtown Yonge Street BIA*. Ryerson University: April 10, 2003. This is a student group at Ryerson University.

²²⁵ James Robinson, Executive Director, Downtown Yonge Street BIA, personal communication by email, 25 April 2003.

While, funding could be a major constraint for a new organization in a city of many BIDs, it could also be argued as a harbinger of potential success. In this case, both New York and Toronto are famous for the number of BIDs they support: 44 in New York City²²⁶ and 42²²⁷ in Toronto City. The existence of so many BIDs in each city would suggest that local organizations are willing to support such ventures.

Conclusion: A review of the strategies adopted by Times Square and Downtown Yonge suggest that the combination of programs Downtown Yonge is undertaking should help it to build a comprehensive destination retailing identity for the area, similar to that of Times Square BID. However, the ability of Downtown Yonge to replicate Times Square BID's success will depend on how well it integrates the Tier II and Tier III activities in its agenda.

b. A Targeted Retail and Business Development Focus



As the commercial and retail core in their cities, Alliance for Downtown and Manchester City Center Management Company manage areas that already have a distinct identity associated with them. However, globalization and decentralization have made city centers increasingly similar and out migration of business to nearby centers is

Picture 11: Alliance for Downtown BID's Area Map
Source: Alliance for Downtown website

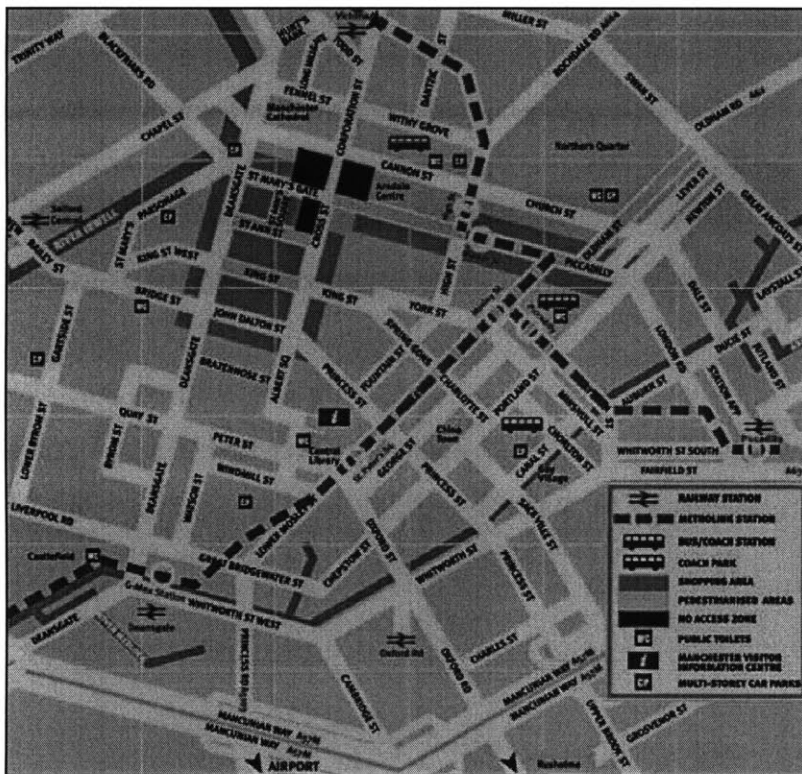
²²⁶ New York City Government website.

²²⁷ Toronto Association of Business Improvement Areas (TABIA) website, <<http://www.toronto-bia.com/home.html>> (5 November 2002).

becoming a common phenomenon.

Therefore, innovative strategies are required to attract and retain downtown retail. This section analyzes some of the strategies Alliance for Downtown and Manchester City Center Management Company have adopted.

Background: In addition to the challenges faced by globalization, and decentralization, New York and Manchester have faced challenges from terrorist attacks. The most prominent ones have been the attack on the World Trade Center in 2001 and the IRA bomb attack in Manchester City Center in 1996. These attacks triggered market volatility that served as an impetus for these organizations to use proactive strategies to promote their area.



Picture 12: Manchester City Center BID's Area Map
Source: Virtual Manchester website

In the past year, one of the major problems facing Downtown New York is the out-migration of businesses. The investment climate in New York City downtown can be best described as a situation where “office space is too available and visitors too few.”²²⁸

A recent survey of Lower Manhattan commercial tenants suggested that 25% of

the companies that did not intend to renew their leases, plan to leave New York City

²²⁸ International Downtown Association, “Welcome to Boston!” in *Downtown News Briefs*, 3rd Quarter 2002 (Washington D.C.: IDA, August 2002), 3.

altogether and that 50% of the companies that leased additional space after September 11, had leased space outside New York State.²²⁹ This out-migration of retail and business has served as a catalyst for Alliance to undertake proactive business development activities.

Unlike New York City, Manchester did not have an overwhelming out migration of retailers. Some of the important factors that might have contributed to supporting retail were the City's decision to go ahead with the Germany-Russia Euro '96 soccer match immediately after the crisis and the contract to host the 2002 Commonwealth Games, which Manchester had won a year before the bomb. These factors provided an opportunity few retailers and businesses wanted to lose. However, to ensure that the opportunity translated into a definite investment the City set up the Manchester City Centre Company in 1998 with the mandate of overseeing the management process and undertaking the task of making the downtown nationally and internationally competitive.

Approach: The global position of these cities and the different situations they have been forced to deal with have resulted in both the BIDs following a proactive business development strategy that targets business and retail development in their area.

Alliance's efforts have focused on attracting retailers and businesses by offering innovative grants, loans, and other financial and economic services as well as providing incentives to the large residential population in Battery Park City. For example, along with Seedco, Alliance has created a \$30 million grant and loan program to aid small retailers and businesses immediately at or near ground zero. It partnered with the Lower Manhattan Development Corporation and the government to create a number of financial aid programs for small businesses in the affected areas. It has also created innovative programs such as 'Downtown Incentives Calculator', 'Downtown Space Finder', 'Storefront Improvement Program', and 'Economic Market Research.'

In addition to these activities, the BID has stepped-up its publicity efforts. The BID played an instrumental role in coordinating a \$7.5 million "River to River" festival

²²⁹ Alliance for Downtown, *The Downtown Report* (New York, NY: Alliance for Downtown, (Winter 2003), 3, <<http://www.downtownny.com/files/Downtown%20Report%20Winter%202003.pdf>> (9 April, 2003).

to attract visitors and provide support to downtown's workers and residents. The festival was the largest outdoor festival in New York City's history with more than 500 mostly free events.

Some of these incentives have been successful. For example, the Lower Manhattan survey of commercial residents found that at the end of September 11, only nine of the fifty largest commercial tenants in and around the World Trade Center remained downtown. One year later, 54% of these companies have returned or committed to return.

However, while the efforts of Alliance for Downtown have focused more on attracting only those retail and businesses that were there previously, Manchester City Center Management Company's efforts have targeted at positioning Manchester in the international market. The BID's £750,000 award-winning city center marketing campaign "This is Manchester" targeted both businesses and consumer markets. This was reinforced by a proactive strategy to attract international and boutique retailers to the city center.



Picture 13: A Larger Than Life Hoarding of the "This is Manchester" Marketing Campaign at Exchange Square in Manchester City Center

In addition to this, the Company has made a significant investment in promoting safety and security measures. These have included the development of 82 closed circuit television cameras, establishment of the 'Retail Crime Operation', 'Exclusion Order Scheme', the 'Storenet' two-way radio system, and more recently the 'Nitenet' two-way radio system to link the retailers in the daytime and the nighttime economy.

Other incentives have included, providing a "City Center Busline" service as a free hop-on and hop-off facility linking the transit points (both railway stations) and the various points in the city center. These initiatives have paid off as investment has increased in the city center in the past few years. This economic growth has propelled the city into the national retail hierarchy and made it a tier-one regional retail center. This success is also reflected in the indicators of economic performance. According to the 'Manchester City Center Retail Performance Monitor,' retail turnover and consumer footfall in the city center have shown an increasing trend in 2001, 2002 and for the first quarter of 2003.²³⁰ These numbers were also higher than the British Retail Consortium's figures for the national retail turnover and footfall. In 2001, the Manchester-UK variation for retail turnover was 3.4 times higher for Manchester in comparison to the UK, and in 2002 despite the economic recession the ratio was still 1.0 times higher for Manchester in comparison to the UK. The positive trend was also observed for the first three months of 2003.

Conclusion: Though the overall retail and business development strategies of these BIDs is comparable, Alliance's focus has been more inward-looking while Manchester's has been more outward-looking, with a greater focus on retail development, providing some innovative methods for revitalizing retail.

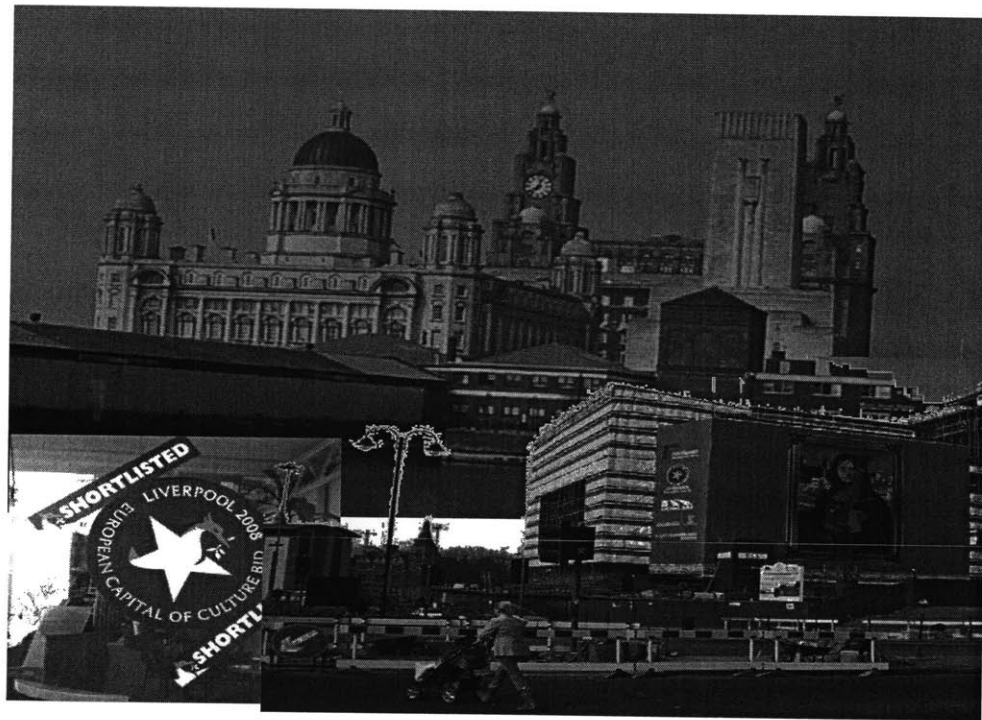
c. An Infrastructure Development Strategy Focus

Liverpool and Coventry provide an interesting context to understand the long-term consequences of a passive strategy. These cities had adopted passive business

²³⁰ Figures quoted according to the 'Manchester City Center Retail Performance Monitor' report provided to the author by the BID during the field visit on 25, March 2003.

development strategies after the Second World War. The last fifty years saw the downtowns in these cities decline to such an extent that their local governments took the initiative to set up city center management companies in the late nineties. This section explores the proactive strategies adopted by these companies that focused on infrastructure development as a way of reversing the neglect and unguided building efforts of the past.

The Case of Liverpool City: Liverpool City has been through the process of ‘unguided’ rebuilding after it had been bombed during the Second World War. The rebuilding efforts saw many ‘utilitarian’ structures being built. Several of these structures were abandoned during the next few decades as physical and economic decline plagued the city. The population of the city almost halved and the City’s historic unemployment figures became as much as fifty percent higher than the national average.



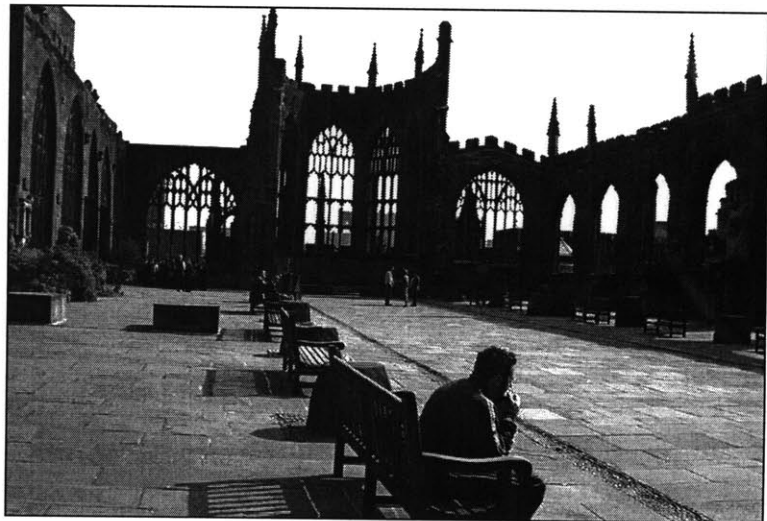
Picture 14: Liverpool: A City Trying to Recapture Its Architectural and Cultural Heritage, Through Redevelopment Activities, and a Bid To Become the European Cultural Capital for 2008

Due to these experiences, the City has directed its regeneration efforts on preserving and promoting its historic identity and cultural heritage and is trying to be nominated the ‘European Culture Capital for 2008.’

While these efforts are city-wide, the area targeted to be the new retail gold zone is also being developed along the same guidelines. The City has contracted with Grosvenor developers to expand the existing retail core into a new area of the city, and develop links between this area the Albert Dock, and the Kings Waterfront area. However, the plan preserves the green spaces of Chavasse Park and makes provision for restoration of the older buildings of the Bluecoat Triangle area. The proposed marketing scheme for this area also focuses on using the ‘historic’ and ‘cultural’ image of the City to promote the older retail establishments in the city center as well as in the new retail area being developed by Grosvenor.

The Case of Coventry: Before the Second World War, the city of Coventry had been a major manufacturing car city in the UK. The War changed this reality as the central core of the city was devastated by bombs and almost all of the major buildings in the downtown were reduced to rubble.

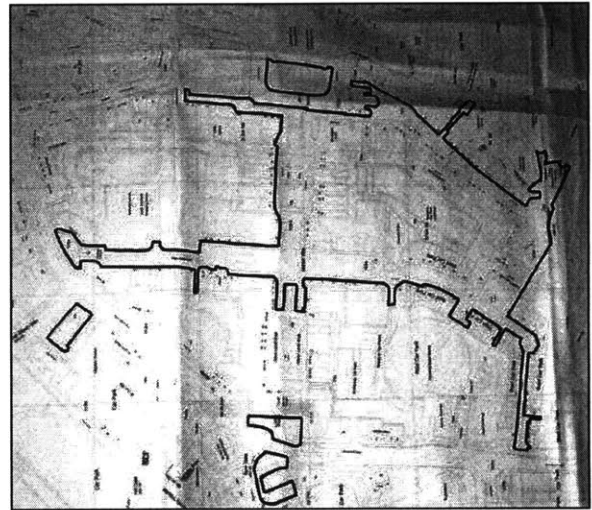
The following years saw the building of a large shopping mall in the city center as a part of the urban



Picture 15: Picture of the Destroyed Cathedral in the Coventry City Center

regeneration efforts. Most of the other open spaces were converted into parking areas for this mall and there was a notable lack of effort to create the right type of retail and business mix. This unguided policy resulted in the failure of the city to capture new investment opportunities after the decline of its manufacturing base. In the absence of a good investment climate, the existing retail and business core gradually deteriorated, employment opportunities declined, and crime increased. There was a significant increase in retail crime also as the dimly lit, open parking spaces became getaways for shop-lifters. All these factors combined to reduce Coventry to a second tier city in the retail hierarchy of the UK.

As the list of issues facing the City became longer, the City decided to establish two separate companies in the late nineties: the 'City Centre Company' to deal with the issues of town center include safety, cleanliness and retail promotion and maintenance and 'Coventry and Warwickshire Promotions' to deal with marketing and tourism related activities. The Coventry City Centre company became the one of the first



Picture 16: CV One's Area Map

downtown management organizations in the UK to take over traditional local authority services within a defined area. These companies were merged to form CV One in 2002. The new company has a staff of around seventy people and is responsible for carrying out a wide range of activities to regenerate the investment climate in the city.

Amongst the BIDs most noted programs are its security initiatives and its innovative 'retail scheme', which links the assessments from the membership to the rateable value where the BID promises members a 'benefits package'. The company delivers Tier I and Tier II activities in this benefits package and commits to delivering "greater value than the membership fee". This scheme has achieved impressive results. The membership levels are 100% in the two of the highest rateable value bands and over 75% in the third highest band, with overall membership at around 50% of the sector.



Picture 17: Ongoing Construction of the New Retail and Office complex in Coventry City Center

Currently the company is also engaged in a series of construction initiatives to provide more retail spaces that will be used to attract retail and businesses investment and is also undertaking a proactive approach to ensure that the resulting retail mix promotes the long-term interests of the city center.

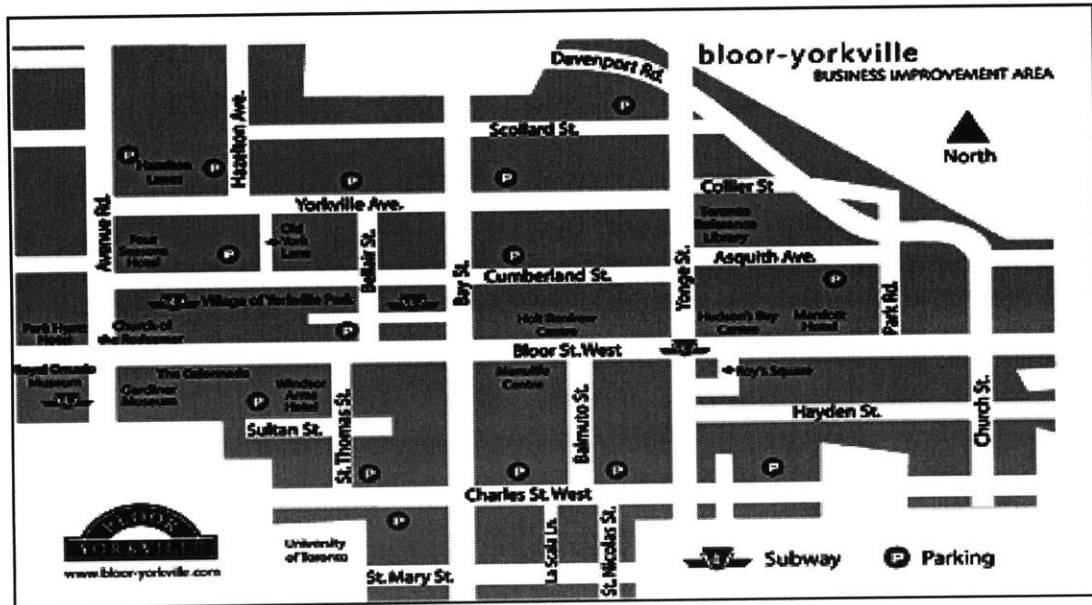
Conclusion: Liverpool and Coventry both provide an interesting context to understand the long-term consequences of a passive strategy. Both cities have adopted infrastructure strategies to counter the effects of unguided building and neglect and reposition their cities in the national retail hierarchy. However, in Coventry though the infrastructure development is new, the Company has been in existence longer and has already established a well-managed BID that has integrated most of the functions of all three Tiers to provide a holistic revitalization strategy for its downtown. Liverpool has just begun the process and the BID's success will depend on its ability to work through the Tier system.

d. A Passive Development Strategy Focus

The previous section showed how unguided development can destroy the vitality and identity of a region. Therefore, to preserve the identity of the area, it is necessary to ensure that new developments blend into the existing fabric of the downtown. However, creating such a unified identity may be difficult, especially when property values in an area are rising and there is a strong market demand for high-rise commercial complexes.

This section describes the response of Bloor-Yorkville BIA in such a situation. The response of Bloor-Yorkville has also been compared to comparable passive business development strategies adopted by Downtown Vancouver and the Center City District.

The case of Bloor-Yorkville: This area is the city's most fashionable shopping district. The area has more than 700 shops on the 27 blocks of the BID's territory and has been compared areas such as Fifth Avenue in New York and Rodeo Drive in Los



Picture 18: Bloor-Yorkville BIA's Area Map
Source: Bloor-Yorkville BIA Website

Angeles. It is also surrounded by a number of hi-end condominiums, which house some of the wealthiest residents in Toronto. This provides the BID with a 'readymade' consumer market.

However, the entire area is not homogenous in character. Bloor-Yorkville's boundaries are composed of streets with different identities and retail profiles. This makes the process of identity creation very difficult. For example, there are significant differences between the two principal retail streets of Bloor and Yorkville that lend their name to the Bloor-Yorkville. Bloor Street is best known for its shopping, and features retail chains such as Gucci, Prada, and Tiffany & Company. The area also has many five-star hotels and multi-story office complexes.

On the other hand, Yorkville Street is characterized by turn of the century Victorian homes that have since been transformed into a variety of 'mom and pop' businesses. The past couple of years have seen tremendous construction in this area that has resulted in eroding the Victorian charm. The parking lots in the region from Yorkville Avenue to Bay Street and Cumberland Street are being with replaced with high-rise condominiums that will add almost 5,000 new residents to the area. The new

developments have been criticized as “having eroded the identity of the region” and sending out mixed signals about the BIDs identity.²³¹

Approach: Bloor-Yorkville has used a passive strategy to deal with this situation. The BID has published a handbook on ‘Urban Design Guidelines’ that seeks to guide the construction process and lend some uniformity to it. The aim of the book is to guide the future developments in the area and in the process preserve a mix of the Victorian charm and hi-end retailing that has been the hallmark of the district.

The approach used by Bloor-Yorkville is similar to the approach adopted by CCD and Downtown Vancouver. Both these organizations do not attempt to undertake direct efforts to attract retailers and businesses to invest in their area or directly deal with the kind of construction that should take place. They provide an extensive market research that includes a database of recently completed, in-progress, and proposed developments in the city center and renditions for façade improvements of existing buildings and areas.

Conclusion: It remains to be seen to what extent Bloor-Yorkville will be able to preserve its identity by following such a passive strategy. Bloor-Yorkville is a successful retail zone. For now, a passive recruitment strategy may work for the BID. However, if the identity of the district continues to change so rapidly, it might well become just another retail zone with very little to distinguish it from other areas. This might increase the possibility of the area suffering a long-term fate similar to Liverpool and Coventry (discussed in the following section). To prevent such a situation it might be more useful for the BID to consider a more active strategy to preserve and promote the image of the area.

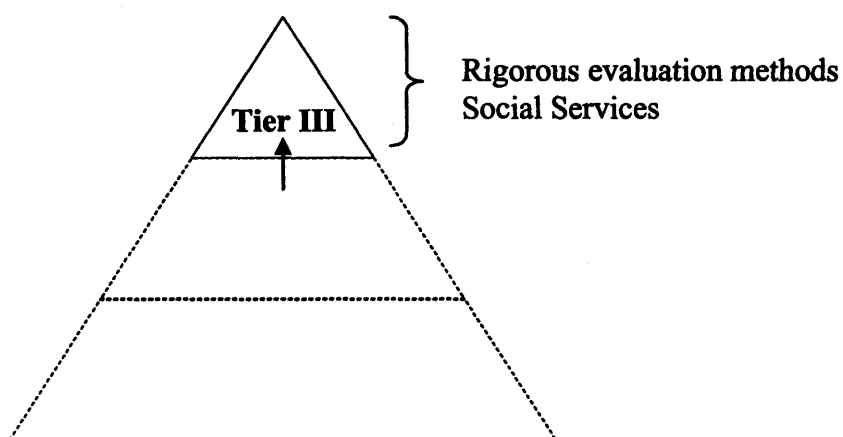
Tier III Activities (Ensure Sustainability)

BIDs have provided a well-managed and marketed environment that has created “both the revenue and political will to keep commercial streets clean, safe and

²³¹ James Robinson, Executive Director, Downtown Yonge Street BIA, *Interview by author*, tape recording, 17 March 2003.

economically vibrant.”²³² Their approach employs the geographic, economic, social, and cultural resources of the area and utilizes them to effectively promote downtowns as a retail and entertainment destination. At the same time, their focus on supporting the local attributes help to establish a distinct identity for downtowns that differentiates them from other retail and commercial locations both within and outside the city. However, the degree of effectiveness of these activities is directly affected by a combination of the measurement capacity (Tier III activity shown in Figure 10) and the Tier II activity of marketing.

Figure 10: Tier III



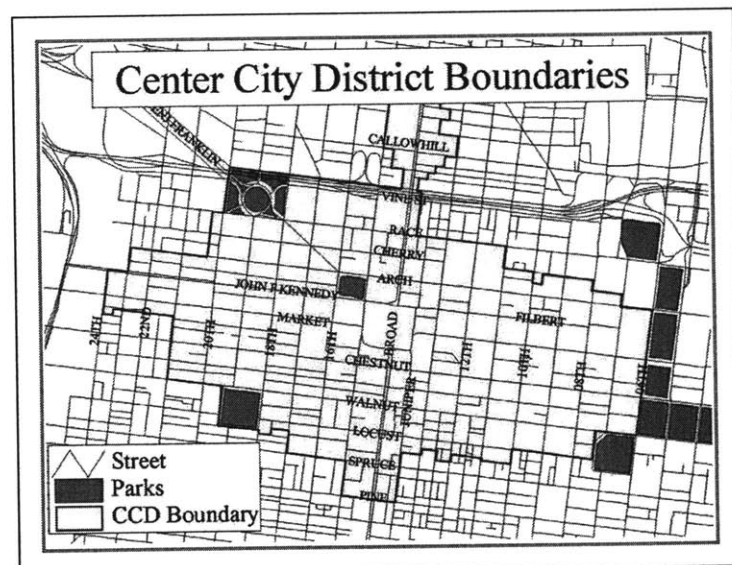
This section explores this claim through an analysis of the drivers for success of four BIDs. City Center District (CCD) and CV One have been chosen as they have pioneered crime and security activates in the US and the UK respectively. Downtown Vancouver BIA has been selected because of its innovative monitoring program. Finally, the case of Downtown Yonge’s security initiative has been used to highlight the importance of marketing. This initiative was not very successful as the organization did not market the effort enough. However, the organization used the experience to initaite strategic monitoring and evaluation techniques.

²³² M. Bradley Segal, *ABCs for creating BIDs* (Washington, DC: International Downtown Association, September 2002), 2.

Background: As shown in Table 13, the activities undertaken to provide security are mostly similar across BIDs, though the choice of the program and method of execution may vary across organizations. This is determined partly the prevalence of a particular crime in the area in conjunction with the priority assigned to a particular crime by the BID agenda. In the case of CCD and CV One this priority is determined by customer surveys and through other programs used to measure and track the effectiveness of their programs.

The Case of City Center District: Center City District in Philadelphia uses the records from a variety of sources to direct its security initiatives. Some of these sources are the records of the community service representatives, the records of the police substation in the area, and the data collected through customer surveys.

For example, the statistics of the police substation showed that while



Picture 19: Center City District's Area Map
Source: Center City District Website

crime within the CCD had decreased 33% in the period from 1996 to 2001, theft (not including retail theft) remained a major challenge with 72.25% crimes between 1993 and 2001 occurring in this category.²³³ Records from the community service representatives helped tabulating the types of theft reported into separate categories such as 487 reported 'scratched glass on transit shelters'. At the same time, a survey was conducted to get the customer's perception on safety in the center city. Respondents were also asked to rank a

²³³ Center City District and Central Philadelphia Development Corporation, "State of Center City 2002" report (Philadelphia, PA: Center City District and Central Philadelphia Development Corporation, March 2002).

list of ten actions that could improve public safety. Based on this data CCD set the policy direction for security measures.

The Case of CV One: CV One is well known as the organization that set up the model crime tracking system in Coventry. The BID was responsible for expanding the CCTV system and setting up a control center linking the CCTVs in the city center. Cameras are positioned in car parks, in the common mall spaces and at the entrances of most of the traditional escape routes for shoplifters such as dimly lit alleyways. However, the BID relies on customer surveys, records from the efforts of the street wardens, and the statistics from the CCTV to measure the performance of its initiatives and to set targets. For example, CV One's health-check report for January 2003 graphs the monthly fluctuations of the problems faced by town center. These problems have been identified as shoplifting, vehicular crime (alternatively called auto-theft), and robbery and theft from a person. Accordingly, the BID's priorities for 2003 include identifying and remedying the causes of these problems.

In addition to this, the company offers a 'crime reduction operation' that offers a two-way radio to businesses that is linked to the police and the CCTV control room. This

is similar to the 'storenet' and 'nitenet' systems set-up by Manchester City Centre Management Company, where 'storenet' is for retailers (that operate during the day) and 'nitenet' is for the operators in the nighttime economy such as pubs and cafes.

The Case of Downtown Vancouver Business Association: Downtown Vancouver Business Association has undertaken several monitoring and measurement initiatives to make their security initiatives more efficient. One of the unique programs is the "mystery



Picture 20: Downtown Vancouver BIA's Area Map

Source: Downtown Vancouver BIA Website

shopper program,” which is similar to the programs employed successfully by retail franchises and theme parks. Individuals posing as ordinary citizens approach the ambassadors for assistance and monitor the responses. This program has been very successful in the BID. According to the businesses, the program “provides concrete, quantified, unbiased data about services rendered; it monitors consistency of consumer relations; and it creates an awareness on the part of employees that their actions count and can have a serious impact on growth and success of business.”²³⁴

Most of these functions perform the dual role of helping to prioritize crime initiatives and making the members aware of the BID’s initiatives. In addition to this, it makes the members feel involved in the organizations activities and also helps to get their buy in. However, the absence of programs involving and informing the stakeholders could be effective in reducing crime but be unsuccessful in changing the perception. The importance of marketing the initiative to the members is emphasized by the case of Downtown Yonge Street BIA.

Case of Downtown Yonge: Downtown Yonge Street BIA hired extra security personnel to reduce incidence of crime and increase perception of safety, as they could not get the City’s commitment to provide increased patrolling. However, an independent survey commissioned by the BIA showed that though the activities had reduced crime to some extent, very few of the members surveyed were aware that such a program was being undertaken by the BID.²³⁵ The BID has complemented the findings of this survey with other studies and is using the information to reposition its strategy.

Conclusion: The findings suggest that measurement and marketing form an important part of the strategy adopted by these organizations. While Tier I and most Tier II activities help creating the environment and fulfilling the requirements of retail and

²³⁴ Downtown Vancouver BIA website, “Customer focus for Ambassadors,” August 16, 2002. Available from: <http://www.downtownvancouver.net/content/dsp_content.cfm?fuse=business&box=facts> (16 March 2003).

²³⁵ Linda Plum, “Responding to Crime: Evaluation of the Police Patrol in the Downtown Yonge Street BIA,” second draft of the Report prepared for the Downtown Yonge Street BIA (Toronto, Ontario: Ryerson University, 26 February 2003).

businesses, successful efforts in the long term need to be targeted at both measuring and marketing these programs and their benefits.

SUMMARY

This chapter compared and contrasted a few BIDs according to the Tier model presented in the previous chapter. The findings suggest that though the local and national contexts made some differences in the focus of BID activity, most of them undertook a combination of activities from all three areas and incorporated other activities in their agenda according to the need of the area. Most of the BIDs analyzed here had established a strong feedback loop which combined with their visibility drive formed an important driver for their success. These findings suggest that BIDs which progress through all three Tiers are successful in providing a holistic and sustainable strategy for revitalizing downtowns.

Chapter 5: Conclusion and Recommendations

WHY IS RETAIL IMPORTANT FOR DOWNTOWN REVITALIZATION?

Downtowns are distinctive because of their central location, socio-cultural and historic importance. However, the expansion of the physical boundaries of cities, rise of new transit technologies, and development of different retail forms have given rise to alternative markets that have challenged the centrality of this position.

The urban regeneration programs in the past have relied on strategies such as mixed-use zoning and pedestrianization to revitalize the commercial core of the downtown. However, in most cases these infrastructure-based incentives have had limited success in augmenting consumer spending.

This research suggests that using a retail-led strategy may be more successful than these strategies as it focuses on creating a consumer-oriented commercial environment that directly affects footfall and potential spending.

WHAT IS THE ROLE OF BIDS IN PROMOTING DOWNTOWN RETAIL?

The study used a Tier-model to understand the role of BID activities in promoting the retail economy of the downtown. The findings suggest that the goal of most BIDs is to create 'destination retailing' by promoting retail, dining, and entertainment. The success of this strategy is illustrated by BIDs such as the Times Square BID, Bloor-Yorkville BIA, and Manchester City Center Company.

Interestingly, this goal is not different from that of many other urban regeneration projects. The difference is in the approach used by BIDs to implement this idea. BIDs have used this focus to address some of the main challenges to downtown retailing such as unifying the divergent interests of the various stakeholders. In addition to this, their centralized management strategy, distinctive organizational system, and their innovative delivery style have contributed to the success of their approach. These factors allow

them promote a revitalization strategy that serves the collective interests and also ensures that their approach is not an 'isolated' effort as was the case in the earlier regeneration efforts.

However, the findings also suggest that though BID's in all the three countries undertake similar activities, organizations in the UK have a greater focus on retail promotion. Moreover, a greater number of BID's there employ proactive strategies for retail development. The situation is especially remarkable as the pioneering research for creating a centralized retail management technique was pioneered in the United States.

IS THEIR STRATEGY SUSTAINABLE?

Sustainability is defined here in the context of both the downtown and the organization. Figure 7 showed that strategies promoting sustainability of downtowns automatically advance this interest for the organization. Accordingly, a sustainable strategy for the downtown is defined as an approach that promotes their holistic development by integrating the physical, social, and economic perspectives. To understand whether the strategy used by BID's is sustainable, this section analyzes the effect of BID activities according to these perspectives.

Physical Environment

Endeavors that support a sustainable physical environment are those that create a good urban design, which integrates the built form with the natural environment, adds vitality to the street scene by maximizing pedestrian accessibility, and stimulates economic development by making the area a place people want to work and visit. BID activities that may support a sustainable physical environment are discussed here.

Orienting Retail to the Street

The physical form of many enclosed shopping malls indicates that developers and retailers are not concerned with building structures that are pedestrian friendly. Capital improvements (Tier I) undertaken by BID's have succeeded in getting many downtown shopping centers to redo their facades and make them more consumer oriented. For

example, Downtown Yonge Street BIA was successful in getting the Eaton center, the downtown shopping mall, to make facade improvements.

Improving the Pedestrian Environment

Tier I activities such as capital improvements and maintenance help to maintain and beautify the physical environment of the downtown and enhance the shopping environment for consumers. Capital improvements are instrumental in changing the atmosphere of physical blight and neglect that have been seen as key factors in prompting the retail flight from downtowns. At the same time, activities promoting security create an environment that makes the consumer feel that the downtown environment is safe and predictable (comparable to the shopping mall environment to some extent).

Increasing Access and Connectivity

Downtowns often have narrow roads and lack of sufficient parking spaces that keep the time-bound shoppers away from the downtown. The congestion daunts even the group of consumers who desire a combination of leisure and shopping. BIDs have reversed these trends to a large extent through Tier II activity of parking and transportation that includes approaches such as creating extra parking spaces, offering competitive parking rates, discouraging wrong parking, and attempts to reduce congestion by providing free bus services.

Socio-Cultural Perspective

This perspective advocates a participatory approach that promotes the socio-cultural aspect of downtowns and also seeks to provide equal opportunity for all users of the downtown. BID activities that may promote this perspective are discussed here.

Increasing the Socio-Cultural Importance of the Downtown

Suburbanization and the rise of alternative commercial centers have resulted in the deterioration of the socio-cultural role of the downtown. BID activities such as events and festivals (Tier II) serve to reinstate the role and importance of downtowns as

centers of social life. In addition to this, their management style and advocacy activities (Tier II) bring the different interest groups together. The resulting dialogue and involvement helps to promote a collective strategy as well as foster a sense of ownership.

Social Support Activities

A few BIDs undertake social activities such as providing financial support to homeless centers and employing jobless people on their workforce. Data suggest that this activity is still low profile and does not form a major component of BID activities. The study recommends that BIDs should engage in this activity as it would improve the social fabric of the downtown. At the same time, it would provide a long-term solution to problems such as panhandling and street crime.

Economic Perspective

The study shows that a retail-focused strategy can provide an effective approach to revitalize the downtown economy as it builds both brand and place equity. BID activities contributing to the development of such perspective have been analyzed here.

Creating a Desirable Retail Mix (Prescriptive versus Discretionary Approach)

A market with a good retail mix is able to sustain different consumer markets. The ability to cater to different interests translates into a capacity to attract greater number of consumers. Also, a market with a wider retail offer is more likely to attract 'returning' consumers, which is an important criterion for long-term sustainability. Findings suggest that BIDs retail and business development strategy (Tier II activity) targets the retail mix among other things. However, most BIDs follow a passive recruitment strategy, where their role is restricted to being a mediator. Only a few have adopted the proactive approach which requires active organizational participation for creating the desired retail mix.

Creating a Market Demand

One of the strongest criticisms against strategies such as zoning is that though they can create an inventory of retail space, they are unable to change the underlying economics that create consumer demand. In many situations the built-up space may remain vacant due to the absence of demand. BID strategy incorporates elements of both the demand and the supply side economics. It promotes the retail attractions in downtown through various marketing approaches (Tier II activity). In addition to this, different events such as 'wine-tasting' and 'restaurant-promotion' festivals provide attractions that increase footfall by attracting consumers to the downtown. Economic theory suggests that increased footfall translates into potential revenue for retailers.

Creating Brand and Place Equity

Retail theory suggests that in the long term, retailers are interested in the brand equity of a place while property owners are interested in place equity. BID activities such as marketing and promotion and business development create the conditions necessary to meet these long-term goals. The fulfillment of these goals creates a sustainable economic development strategy for the downtown.

RECOMMENDATIONS

The analysis presented in the previous section suggests that BIDs can make a difference in all aspects of the downtown environment and that their strategy has the possibility of promoting the holistic revitalization package that most of the urban revitalization strategies have failed to deliver. However, there are some aspects of the BID methodology that need to be standardized to ensure a sustainable urban renaissance in the long term. This section offers some suggestions for improving existing BID practices and recommends some strategies that might help to ensure long-term success.

Targeted Retail and Business Development Strategy

As discussed earlier, a targeted retail and business development strategy (Tier II activity) is essential for promoting long-term retail and commercial development. The

findings suggest that most BIDs do not focus on this strategy. The few BIDs that do undertake this activity tend to follow a passive recruitment strategy, which is advisable only if the local government is proactive. This study suggests that BIDs should review the local situation and decide on whether a proactive or a passive recruitment strategy is more suitable for their downtown. In either case, they should work closely with the local government to ensure that the appropriate retail mix is being targeted.

Rigorous Measurement Structure

The Tier III activity of performance evaluation is essential for ensuring an efficient organizational mechanism in the long term. The findings suggest that though most BIDs undertake consumer surveys to measure the intangible benefits of their activities, very few have adopted rigorous measurement techniques or made an attempt to standardize the process.

An ATCM publication titled, “Key Performance Indicators” highlights the use and importance of some measurements and the common problems associated with data collection. Table 16 summarizes some of these categories and their corresponding goals and measures as suggested by the publication.

Table 16: A Suggested Methodology for Formalizing Measurement Techniques

Category	Goal	Measure
Regional health	Affects the role and functioning of the downtown and therefore impacts BID activities	Population Demographics, Employment, and Industrial Structure
Town center health	The business plan for the downtown affects the market and consequently the health of the downtown	Retail vacancy, Retail Performance, and Retail Sales
Town center progress	The success BID initiatives will affect the following indicators: Visits to the Town Center, Car Parking, Public Transport, Crime Safety & Security, Variety of Offer, Public Facilities, Street Maintenance & Cleanliness, Facilities for Special Needs, Town Center Management Activity	Various measures such as footfall

The study suggests that if BIDs adopt such a rigorous measurement system, it would enable them to streamline their strategies and therefore, ensure their long-term sustainability.

Alternative Sources of Funding

The BID system of assessments is dependent on the buy-in of the property owners and businesses within the area. In an economic downswing, these companies may not desire to pay the assessments though they may want the BID to continue its activities. Having alternative sources of finance may ensure financing flexibility in such situations.

One strategy through which BIDs could generate finance is by undertaking maintenance and security contracts in the nearby areas. This could be undertaken as a Tier III activity, once the BID has consolidated its position in the downtown. Research suggests that some of the successful BIDs in the United States such as the City Center District and all the organizations surveyed in the UK, have implemented this approach. However, none of the BIDs surveyed in Canada pursue this strategy. This would suggest that this is still not a popular BID activity. A reason for this could be that most BIDs are still new and have been formed in the last decade.

Some of the advantages of pursuing this strategy are that it would create an independent stream of revenues, which could be used to augment revenues as well as fund activities during lean periods. It would also ensure that the BID area does not become an island surrounded by deteriorating neighborhoods. Additionally, a clean and safe neighborhood would allow the organization to address the popular criticism that its activities push crime into the neighboring areas. However, there is a possibility that the assessment payers see this approach as a shift in organizational focus from an exclusive place-based approach to a commercialized one.

Regional Coordination

In an era, where mobility is increasing, and consumerism has made every downtown indistinguishable from the other, attracting consumer dollars requires strategies that go beyond the local and promote the regional. A regional coordination approach would require the local BIDs in an area to market their city and its neighboring retreats as a global destination, instead of only promoting their area. The advantage of this approach is that it would link the downtown to other destinations and give it access to a wider set of resources. BIDs may also undertake this strategy as a Tier III activity. Alternatively, it could be used as a defining goal early on.

Interestingly, while this dynamic is being used by the BIDs in most of Europe, the United Kingdom, and in some cities in Canada such as Vancouver, this focus is absent in the US.

As with all other strategies, this also has its own share of advantages and disadvantages. The pursuit of such a strategy may encounter resentment from the assessment payers, who may not want their funds to be used for promoting other areas and may believe that such a focus detracts from the BID's exclusive focus on promoting the interests of the downtown. To mitigate such resentment, the BID may want to undertake this strategy only after it has become well-established in the area.

CONCLUSION

The findings of this study suggest that BIDs have been successful in improving the commercial environment of the downtown and in enhancing the shopping experience of the consumers. Their participative style of operation stimulates local structures and networks. It also promotes the character and identity of a place.

However, the level of success is varied. One of the most important reasons is that most BIDs do not undertake activities from all Tiers of the model. This tends to make their approach unsustainable in the long term. For instance, in some cases it could lead to a business mix that may not support a healthy retail economy. The recommendations presented in this research provide suggestions for dealing with such problems. These suggestions could be used to direct the BID delivery style to create a more sustainable strategy.

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Appendix

APPENDIX A: INTERNATIONAL BID SURVEY

We thank you in advance for taking choosing to participate. There are 5 sections to this survey. For your convenience, most of the questions are presented in a multiple choice format. Please read each question carefully, answer it to the best of your ability, and return the completed survey to us within ten (10) days. Individual survey responses will remain confidential. We look forward to sharing the final report to with you.

I. FORMATION

For the sake of this survey, the BID formation process has three phases. They are the planning phase, legislative phase, and implementation phase. The planning phase typically begins with informal discussions focused on the advantages and disadvantages of BID formation and ends with a feasibility study or report that summarizes how such an organization will function. The legislative process includes obtaining and filing the documents necessary to formalize the organization's existence and approve its plans. While the provision of services to a distinct geographical area marks the start of the implementation phase, it may also include such tasks as hiring staff and securing office space. Your responses will provide valuable insights to these three phases of the bid formation process.

1. In your own words, briefly describe the impetus or need for planning the organization.
2. In what year did the planning phase began? _____
3. In what year was your organization legally established? _____
4. In what year did your organization begin operations? _____
5. Which best describes the group(s) responsible for forming the organization? (Circle all that apply)

(a) Business owners	(c) Elected officials	(e) Residents	(g) Educational
institutions			
(b) Property owners	(d) Government agencies	(f) Medical institutions	(h)
Other _____			

6. Did they experience opposition? (Circle one)

(a) Yes

(b) No

(c) Not sure

7. If so, from which group? (Circle all that apply)

(a) Business owners
institutions

(c) Elected officials

(e) Residents

(g) Educational

(b) Property owners
Other _____

(d) Government agencies

(f) Medical institutions (h)

II. STRUCTURE & SCOPE

Every BID organization is unique. To better understand how they vary within and between continents, we ask that you respond to these questions regarding the structure and scope of your organization.

1. Which of the following best characterizes your organization? (Circle one)

(a) Government agency

(b) Nonprofit organization

(c) Combination of government and nonprofit

(d) Private agency

(e) Public and private agency

2. Currently, your organization has how many full-time employees? (Circle one)

(a) 0

(c) 2-3

(e) 6-10

(g) 21-30

(i) 41+

(b) 1

(d) 4-5

(f) 11-20

(h) 31-40

3. Currently, your organization has how many part-time employees? (Circle one)

(a) 0

(c) 2-3

(e) 6-10

(g) 21-30

(i) 41+

(b) 1

(d) 4-5

(f) 11-20

(h) 31-40

4. How many members are on your governing board? (Circle one)

(a) 0

(c) 2-3

(e) 6-10

(g) 21-30

(i) 41+

(b) 1

(d) 4-5

(f) 11-20

(h) 31-40

5. How many properties are located in the BID? _____

6. Describe the composition of the BID with respect use. (Assign a value to each category such that they total 100%)

_____ % Retail	_____ % Educational
_____ % Office	_____ % Recreational
_____ % Government	_____ % Cultural
_____ % Religious	_____ % Residential
_____ % Medical	_____ % Other (please specify) _____

7. Approximately, how many city blocks does your organization cover? _____

8. Approximately, what is the current annual budget (in Canadian dollars)? _____

9. Which of the following are sources of funding for your organization? (Circle all that apply)

- (a) Special tax assessment on property and/or business
- (b) Voluntary donations or in-kind contributions
- (c) Subsidies or grants from federal/state/central/local government
- (d) Subsidies or grants from foundations
- (e) Bonds (public or private)
- (f) City general tax revenues
- (g) Sale of goods and/or services
- (h) User fees
- (i) Other (please specify) _____

III. PURPOSE

BID organizations are formed for a variety of purposes. To better understand why BIDs are formed, we ask that you respond to these questions regarding your mission and service delivery.

1. Briefly describe the organization's central mission.

2. To what extent is your organization involved in providing each of the following services? (Circle a number by each)

	Very involved	Somewhat involved	Not at all involved
(a) Capital Improvements (i.e. installing pedestrian-scale lighting and street furniture; planting trees and shrubbery)	1	2	3
(b) Consumer Marketing (i.e. producing festivals and events; coordinating sales promotions; producing maps and newsletters)	1	2	3
(c) Economic Development (i.e. offering incentives such as tax abatements or loans to new and expanding businesses)	1	2	3
(d) Maintenance (i.e. collecting rubbish; removing litter and graffiti; washing sidewalks; shoveling snow; trimming trees)	1	2	3
(e) Parking and Transportation (i.e. managing a public parking system; maintaining transit shelters)	1	2	3
(f) Policy Advocacy (i.e. promoting public policies to the community; lobbying government on behalf of business interests)	1	2	3
(g) Public Space Regulation (i.e. managing sidewalk vending; discouraging panhandling; controlling vehicle loading)	1	2	3
(h) Security (i.e. providing supplementary security guards; buying and installing electronic security systems; working with city police force)	1	2	3

(i) **Social Services** (i.e. aiding the homeless; providing job training; supplying youth services) 1 2 3

(j) **Others** (please specify) _____ 1 2 3

IV. PERFORMANCE EVALUATION

Many BID organizations conduct self-evaluations, yet others do not. To understand the goals that BID organizations seek to achieve, we ask that you respond to these questions regarding performance standards and monitoring.

1. Has your organization established standards of performance ("benchmarks") from which to evaluate its outcomes?

(Circle one)

(a) Yes (b) No (c) Not sure

2. Is an agency or organization other than your own responsible for performance evaluation?

(Circle one)

(a) Yes (b) No (c) Not sure

3. If you answered "yes" (to question IV.1 or IV.2), which of the following has been used as a measure of organizational performance during the past year? (Circle all that apply)

(a) Crime rates (c) Number of jobs created (e) Occupancy rates (g) Number of businesses
(b) Retail sales (d) Pedestrian counts (f) Customer surveys (h) Other _____

If you circled (a) "Crime rates",

(3.1). Which type of crime has been a problem during the past year? (Circle all that apply)

(a) Homicide (c) Robbery (e) Theft (g) Prostitution
(i) Terrorist threats (b) Rape (d) Assault (f) Vandalism/graffiti (h) Panhandling/loitering (j) Other _____

(3.2). Which of the following has been used as a method to deter or decrease criminal activity?
(Circle all that apply)

- (a) Paid security patrols
- (b) Volunteer security patrols
- (c) Police patrols
- (d) Closed circuit television/surveillance cameras
- (e) Computerized crime mapping
- (f) Notification of property/business owners
- (g) Increase number of visitors/outdoor events
- (h) Sealing vacant buildings, rapid graffiti removal, etc.

If you circled (b) "Retail sales,"

(3.3). How would you describe your organization's involvement in expanding retail activities?
(Circle one)

- (a) Very involved
- (b) Somewhat involved
- (c) Not at all involved

(3.4). Which of the following actions does your organization take to support retail activity?
(Circle all that apply)

- (a) Advertisements
- (b) Lobbying government on behalf of retail interests
- (c) Business incentives
- (d) Sales and promotions
- (e) Special events
- (f) Other _____

(3.5). Which retail markets does your organization actively target? (Circle all that apply)

- (a) Tourists and visitors
- (b) Downtown residents
- (c) Suburban residents
- (d) Downtown office workers
- (e) Students
- (f) Other _____

V. EVOLUTION

BID organizations change over time. To better understand how they evolve, we ask that you respond to these questions regarding some fundamental aspects of your organization.

1. Which of the following describe how your organization has changed its physical jurisdiction (boundaries) since implementation? (Circle one)

- (a) Increased drastically
- (b) Increased slightly
- (c) No change
- (d) Decreased slightly
- (e) Decreased drastically
- (f) Other _____

2. Which of the following describe how the number of full-time employees has changed since implementation?

(Circle one)

- (a) Increased drastically
- (b) Increased slightly
- (c) No change
- (d) Decreased slightly
- (e) Decreased drastically
- (f) Other _____

3. Approximately, what was your organization's first annual budget (in Canadian dollars)? _____

4. In your own words, briefly describe how the organization's central mission has changed since implementation.

APPENDIX B: RESULTS OF THE INTERNATIONAL BID SURVEY FOR CANADA

I. FORMATION

Q.I.5. Which best describes the group(s) responsible for forming the organization? (Circle all that apply)

- (a) Business owners (c) Elected officials (e) Residents (g) Educational institutions
(b) Property owners (d) Government agencies (f) Medical institutions (h) Other _____

Group responsible for formation	Percentage of BIDs
Business Owners	97%
Property Owners	44%

II. STRUCTURE & SCOPE

Q.II.6. Describe the composition of the BID with respect use. (Assign a value to each category such that they total 100%)

- | | |
|--------------------|--------------------------------------|
| _____ % Retail | _____ % Educational |
| _____ % Office | _____ % Recreational |
| _____ % Government | _____ % Cultural |
| _____ % Religious | _____ % Residential |
| _____ % Medical | _____ % Other (please specify) _____ |

BID Composition With Respect to Land Use	Percentage of BIDs
% Retail	38%
% Office	16%
% Culture	2%

III. PURPOSE

Q.III.2. To what extent is your organization involved in providing each of the following services? (Circle a number by each).....?

The results have been arranged in decreasing order of "Very involved"

Level of involvement of BIDs	Consumer Marketing	Capital Improvements	Policy Advocacy	Maintenance	Public Space Regulation
Very involved	83%	64%	54%	34%	26%
Some what involved	13%	29%	36%	42%	48%
Not at all involved	2%	7%	9%	24%	26%

Level of Involvement of BIDs	Security	Economic Development	Parking & Transportation	Social Services
Very involved	26%	6%	6%	7%
Some what involved	43%	23%	42%	27%
Not at all involved	31%	71%	52%	66%

IV. PERFORMANCE EVALUATION

Q.IV.1. Has your organization established standards of performance ("benchmarks") from which to evaluate its outcomes? (Circle one)

(a) Yes

(b) No

(c) Not sure

Measure of Performance	Percentage of BIDs
% who have performance measures	43%
% who do not measure performance	57%

Q.IV.2. Is an agency or organization other than your own responsible for performance evaluation? (Circle one)

(a) Yes

(b) No

(c) Not sure

External agency to measure performance	Percentage of BIDs
% who use	15%
% who do not use	85%

Q.IV.3. If you answered "yes" (to question IV.1 or IV.2), which of the following has been used as a measure of organizational performance during the past year? (Circle all that apply)

(a) Crime rates
businesses

(c) Number of jobs created

(e) Occupancy rates

(g) Number of

(b) Retail sales

(d) Pedestrian counts

(f) Customer surveys

(h)

Other _____

	Occupancy rates	Number of businesses	Crime rates	Retail sales
% BIDs employing these measures	60%	55%	52%	52%

	Customer surveys	Pedestrian counts	Number of jobs created	Other
% BIDs employing these measures	50%	36%	17%	26%

If you circled (b) "Retail sales,"

Q.IV. (3.3). How would you describe your organization's involvement in expanding retail activities? (Circle one)

(a) Very involved

(b) Somewhat involved

(c) Not at all involved

Level of involvement	Percentage of BIDs
Very involved	52%
Some what involved	42%
Not at all involved	6%

Q.IV. (3.4). Which of the following actions does your organization take to support retail activity? (Circle all that apply)

(a) Advertisements

(d) Sales and promotions

(b) Lobbying government on behalf of retail interests

(e) Special events

(c) Business incentives

(f) Other _____

	Advertisements	Special events	Sales and promotions	Lobbying government on behalf of retail interests	Business incentives	Other
Percentage of BIDs	38%	36%	27%	22%	10%	5%

Q.IV. (3.5). Which retail markets does your organization actively target? (Circle all that apply)

(a) Tourists and visitors

(c) Suburban residents

(f) Students

(b) Downtown residents

(d) Downtown office workers

(g) Other _____

	Tourists and visitors	Suburban residents	Downtown residents	Downtown office workers	Students	Other
Percentage of BIDs	39%	32%	28%	26%	16%	6%

APPENDIX C: BID SELECTION CRITERIA

1. BID should be located in a large City center.

Large city is defined as the central city of a metropolitan statistical area (MSA)²³⁶ with a population greater than or equal to 400,000 or a population density greater than or equal to 6,000 persons per square mile.²³⁷

2. BID should be a Downtown BID.

A downtown area is taken to refer to commercial hub within the city that may or may not be the central business district.²³⁸

3. BID should have had at 3-4 years of experience in retail. This criterion would ensure a sufficient time line to observe growth curve of BID and study changes and challenges faced since inception.

Retail is defined as the business activity of selling goods or services to the final consumer and it is taken to include diverse activities such as food, fashion, consumer goods, financial services and leisure. BID activity supporting retail is defined here as money spent in development of commercial interests through activities like promotion and marketing.

4. Activities currently being undertaken by the BID should include at least the Tier I and II activities identified in Chapter 3.

- a. Tier I activities include: Capital Improvements, Maintenance, and Security

²³⁶ Metropolitan Statistical Area is an area defined by the Office of Management and Budget as a Federal statistical standard. An area qualifies for recognition as an MSA if it includes a city of at least 50,000 population or an urbanized area of at least 50,000 with a total metropolitan area population of at least 100,000.

²³⁷ U.S. Census 2001, 10 July 2002, (23 October 2002). Available at: <<http://www.census.gov>>.

²³⁸ Urban Land Institute, Downtown Development Handbook (Urban Land Institute, Washington, D.C.: 1980)

- b. Tier II activities include: Business Development, Marketing and Promotion, Parking and transportation, and Other related management activities.
 - c. Tier III activities include: Performance evaluation and social services
5. At least 10% of the budget of the organization should be devoted to marketing and auxiliary activities supporting and promoting retail. Retail presence in the BID (as a percentage of other lessees) would be an important criterion in BID selection.
 6. The most successful cases would be given preference, as they will enable an understanding of changing focus of BIDs.

APPENDIX D: RETAIL QUESTIONNAIRE USED FOR INTERVIEWS

Organization Name:

Contact:

Position:

Date Appointed:

Contract Duration:

Job Summary:

Relevant Background experience:

Retail is defined here as the business activity of selling goods or services to the final consumer and it includes diverse activities such as food, fashion, consumer goods, financial services and leisure. BID activity supporting retail is defined here as money spent in development of commercial interests through activities like promotion and marketing.

I. ORGANIZATIONAL STRUCTURE

In what year was your organization legally established? _____

1. Which of the following best characterizes your organization? (Circle one)

- (a) Government agency
- (b) Nonprofit organization
- (c) Combination of government and nonprofit
- (d) Private agency
- (e) Public and private agency
- (f) Other (Please Specify) _____

2. How many members are on your governing board? (Circle one)

- | | | | | |
|-------|---------|-----------|-----------|---------|
| (a) 0 | (c) 2-3 | (e) 6-10 | (g) 21-30 | (i) 41+ |
| (b) 1 | (d) 4-5 | (f) 11-20 | (h) 31-40 | |

3. What percentage of board members are from retail businesses? _____%

4. How many properties are located in the BID? _____

5. Approximately, what is the current annual budget (2003)? _____

what was last years annual budget (2002)? _____

6. What percentage of assessments in the budget comes from Retail? _____%

7. What percentage of voluntary contributions in the budget comes from Retail? _____%

II. IDENTITY OF DISTRICT

1. How would you describe the district's identity? What does retail contribute to it?
 2. How did the group create an identity? / On what aspects did they focus? How has it evolved over time?
 3. How is the group's identity communicated?
-

III. RETAIL ACTIVITIES / SERVICES

- How would you your organization's involvement in expanding retail activities? (Circle one)
a) Very involved (b) Somewhat involved (c) Not at all involved
 - What activities do you undertake to strengthen and/or promote retail activity?
 - How do you implement them? What kind of funding and resources are needed?
 - How have your retail-related activities changed over time?
 - What do other activities support or contribute to the direct retail development and promotion work?
 - What are the obstacles associated with implementing these activities, if any?
 - What have been the outcomes from these retail activities?
-

IV. BUDGETARY ALLOCATION FOR ACTIVITIES

1. Describe the percentage of budget allocated in providing the following retail promotion services?
(Assign a value to categories that apply and such that the total of all applicable categories is 100%)
 - (a) **Capital Improvements** (i.e. installing pedestrian-scale lighting and street furniture; planting trees and shrubbery) _____ %
 - (b) **Marketing** (i.e. producing festivals and events; coordinating sales promotions; producing maps and newsletters) _____ %
 - (c) **Economic Development** (i.e. offering incentives such as tax abatements or loans to new and expanding businesses) _____ %

- (d) **Maintenance** (i.e. collecting rubbish; removing litter and graffiti; washing sidewalks; shoveling snow; trimming trees) _____ %
- (e) **Parking and Transportation** (i.e. managing a public parking system; maintaining transit shelters) _____ %
- (f) **Policy Advocacy** (i.e. promoting public policies to the community; lobbying government on behalf of business interests) _____ %
- (g) **Public Space Regulation** (i.e. managing sidewalk vending; discouraging panhandling; controlling vehicle loading) _____ %
- (h) **Security** (i.e. providing supplementary security guards; buying & installing electronic security systems; working with city police force) _____ %
- (i) **Social Services** (i.e. aiding the homeless; providing job training; supplying youth services) _____ %
- (j) **Others** (please specify) _____ %

2. Describe the percentage allocated in the budget for the following: (Assign a value to categories that apply and such that the total of all applicable categories is 100%):

- a. Retail promotion ((like festivals, events, coordinating sales promotions, advertisements, business incentives, producing maps and letters, websites, banners etc)) _____ %
- b. Measures of organizational effectiveness
(i.e. pedestrian counts, increase in retail sales, etc) _____ %
- c. Other (please specify) _____ %

V. PERFORMANCE EVALUATION

Many BID organizations conduct self-evaluations, yet others do not. To understand the goals that BID organizations seek to achieve, we ask that you respond to these questions regarding performance standards and monitoring.

1. Has your organization established standards of performance ("benchmarks") from which to evaluate its outcomes? (Circle one)

(a) Yes

(b) No

(c) Not sure

2. Is an agency or organization other than your own responsible for performance evaluation? (Circle one)

(a) Yes

(b) No

(c) Not sure

3. If you answered "yes:

(3.1) Which of the following has been used as a measure to evaluate retail presence? (Circle all that apply)
And how often are these measures undertaken (write appropriate number like: once a year, twice a year, next to the applicable measure)

No. of times

No. of times

- | | | | |
|----------------------------|-------|----------------------------|-------|
| (a) Crime rates | _____ | (b) Retail sales | _____ |
| (c) Number of jobs created | _____ | (d) Pedestrian counts | _____ |
| (e) Occupancy rates | _____ | (f) Customer surveys | _____ |
| (g) Number of businesses | _____ | (h) Other (please specify) | _____ |

(3.2). Which of the following has been used as a method to deter or decrease retail crime? (Circle all that apply)

- | | |
|------------------------------------------------------------|----------------------------------------------|
| (a) Paid security patrols | (b) Volunteer security patrols |
| (c) Police patrols | (d) CCTV |
| (e) Computerized crime mapping | (f) Notification of property/business owners |
| (g) Increase number of visitors/outdoor events | |
| (h) Sealing vacant buildings, rapid graffiti removal, etc. | |

4. If you answered “no” (to question V.1), the why don’t you have performance measures? Are you planning to implement some in the near future? If so, which measures?

5. Can you provide figures describing the BIDs performance for last four years (1998 to 2002)?

6. How are you distinguishing between the impact of BID services and the impact of other activities on the district?

VI. FUTURE

- How does the larger context (city, region) affect your group’s focus or retailing strategies?
- What are your thoughts on international/ national trends in retailing

VII. COMMENTS

- Comments on Survey
 - Suggested References / Contacts
-

APPENDIX E: RETAIL SECTOR CLASSIFICATION

a. Discounters and GMS

Discounters and GMS are large-scale self-service stores that are chained. They offer a wide range of products to consumers at a low price. This category includes discounters selling a wide range of products, GMS, hypermarkets,²³⁹ and wholesale clubs. The product line comprises of mostly general merchandize, with some food.

b. Supermarkets

Supermarkets are large scale, self-service stores selling primarily food items (as opposed to primarily non-food items for discounters/GMS). Supermarkets offer a wide range of food items at a low price. In the United States, large-scale chains dominate supermarkets, and 10 largest supermarkets own more than 30% of the supermarket share. Large-scale stores such as discounters/GMS and supermarkets are more competitive than traditional stores since they offer, “one-stop shopping” where consumers can pick up everything they need at one store for a low price. Large-scale stores are particularly competitive in food retailing. For example, within food retailing, supermarkets have two to three times the market share of traditionals in countries such as France, the United Kingdom, and the United States.

c. Specialty Chains

Specialty chains focus on a narrow range of products. Some offer high service in small stores, while others (category killers) offer a broader variety within the same product range and compete on price.

²³⁹ Large superstores of more than 5000 square meters of trading floorspace are commonly referred to as hypermarkets. Definition taken from: John England, *Retail Impact Assessment – A guide to best practice* (London, New York: Routledge, 2000), p.4

d. Convenience Stores

Convenience stores are small stores selling primarily food items and some general merchandize products. Convenience stores open longer hours than traditional stores.

e. Department Stores

Department stores are large-scale retail stores that offer a broad range of mainly general merchandize products.

f. Traditionals (Or Mom-and-Pops)

Traditionals (or mom-and-pops) are usually family owned and employ 2 to 3 family members. Since traditionals are small and non-chained, they offer neither product range nor low prices. In countries, such as the US and France, the share of traditionals is much lower, and they are subject to more competition -- particularly from large-scale retailers. Surviving traditionals in the US and France generally have strong appeal to customers; for example more specialized product line, such as gourmet cheese shop, or more service, such as longer opening hours.

APPENDIX F: PROFILES OF THE BIDS SURVEYED

Name: Manchester City Centre Management Company Ltd (Manchester, United Kingdom)

Contact: Gordon McKinnon, Chief Executive Director

Year: 1998, officially incorporated in April 2000; **Type:** Quasi-govt. (Public-Private Partnership)

Area Covered: Approximately entire city center (1.75 square miles)

Funding: Council, Grants, and Income earned through projects and membership scheme

Board: 10-15 ; **Percentage of Board Members From Retail:** 40% approx.

Budget: Over £1m. turnover; **Percentage of Assessments in the Budget From Retail:**

Aim: “To deliver the conditions needed to ensure Manchester's status as a successful Regional Capital through a focus on the trading environment of the City Centre itself, in terms of its safety, accessibility, cleanliness, standards of presentation and facilities.”

Identity: Manchester city center as the prime regional destination for shopping, leisure, tourism and investment.

Committees: City Center Management communications structure



Top Activities by Budget Allocation (Percentage allocation not available):

1. Marketing and promotion
2. Security

Some Key Programs:

- a. *Marketing and Promotions:* This Is Manchester Marketing Campaign, The Change for the Better Campaign, Manchester Fashion Week, Festival celebrations, Sporting events, This Is Manchester Magazine, City Center Shopping Guide
- b. *Security:* City Center Rangers, Street Wardens, Retail Crime Operation, CCTV Initiative
- c. *Access:* Park and Ride Scheme, Free city center bus service
- d. *Business Recruitment and Retention:* Targeted business “recruitment” program

Performance Measures: Customer Surveys, Pedestrian Counts, Records of BID programs, Retail vacancies, and Retail Sales

Website: <http://www.manchestercitycentremangement.co.uk>

Name: CV One Limited (Coventry, United Kingdom)

Contact: Liz Millet, Chief Executive Director

Year: Set-up in 1996 as City Centre Company, Merged with Coventry Warwickshire Partners to form CV One in 1997

Type: Independent Private Company

Area Covered: Approximately entire city center

Funding: Council (74%), Grants, and Income earned through projects and membership scheme

Board: 15-20; **Percentage of Board Members From Retail:** 25%

Budget: £7.6 m; **Percentage of Assessments in the Budget From Retail:** 10% approx.

Aim: To promote Coventry city center as a clean and safe place to live, work, and shop in.

Identity: Regional retail center, differentiated by its 'local boutique' retail shops

Committees: N/A

Top Activities by Budget Allocation:

1. Parking and Transportation (39.3%)
2. Marketing (24.6%)
3. Maintenance (11.5%)
4. Policy Advocacy and Public Space Regulation (9.1%)
5. Security (9.0%)

Some Key Programs:

- a. *Marketing and Promotions:* Free/discounted parking offers, Easy Shopping campaign, Anti-disruption strategy, Free Events programs
- b. *Maintenance:* New (outputs based) cleansing contract, beautification (flower pots, sidewalk maintenance and furniture), and cleaning and maintaining public toilets in city center
- c. *Security:* Crime reduction package, providing Secure Car Parks, extended CCTV coverage, increased police presence
- d. *Social Service:* Disability Steering Group, and Youth Council
- e. *Business Recruitment and Retention:* Business and retail forums, Project liaison, process reviews, targeted "recruitment" program, Familiarizations trips, Open days, Business Start-up scheme

Performance Measures: Consumer surveys, Other surveys (City center, Tourism, Exit surveys), and Records of BID programs (Monthly health check, Benchmarking).

Website: N/A

Name: "Liverpool Retail Gold Zone" - being established by Liverpool First (Liverpool, United Kingdom)

Contact: Paul Rice, Chief Executive Director of Liverpool First (a quasi-government agency)

Year: April 2003 (Retail Gold zone). (In 1992, a city center management company that evolved into Liverpool First in 1997 through a second seconding.)

Type: Liverpool Retail Gold Zone will be an independent company

Area Covered: Area that is the original 'Retail Core' of the city center

Funding: Mix of money from the Council (70%), NWDA (20%) and Retail (10%)

Board: 11-20; **Percentage of Board Members From Retail:** 35%

Budget: £ 8000; **Percentage of Assessments in the Budget From Retail:** 10% approx.

Aim: To ensure that the retail core prospers, relying on the Grosvesnor development to attract ABC demographics to the City, hoping to get Liverpool nominated as European capital for culture for 2008.

Identity: To re-establish the identity of Liverpool in the national retail hierarchy

Committees: N/A

Top Activities by Budget Allocation:

1. Marketing (34%)
2. Maintenance (30%)
3. Security (25%)
4. Capital Improvements - but these are largely managed and done by the City (5%)

Some Key Programs: N/A

Performance Measures: Customer surveys, Other surveys, Pedestrian Counts, Records of BID programs

Website: N/A

Name: “The Circle Initiative” - established by the Central London Partnership (London, United Kingdom)

Contact: Dr. Julie Grail, Partnerships Director

Year: 2001

Type: Led by Central London Partnership (CLP), with the City of Westminster as the accountable body. Five areas are being funded over a 5-year period from 2001.

Area Covered: Five pilot BIDs located across central London:

1. Better Bankside (is an historic area located very centrally in London, immediately south of the Thames.)
2. Circle Waterloo (the Lower Marsh shopping center, including the area around and under Waterloo Station)
3. Holborn Business Partnership (includes the historic and mixed-use area of Holborn)
4. Paddington Circle (area around Paddington station)
5. Piccadilly Circus Partnership (area is from Piccadilly Circus, through Coventry Street and into Leicester Square)

Funding: Money is disbursed per project, where the project has to be approved by the CLP, and money disbursed through SRB for the project has to be matched by equal amount of contribution from the BID.

Board: Each BID has its own board that is accountable to the CLP board. The CLP board has representatives from the funding agency, the five BIDs, the local authorities, and the bank. However, it is mandatory for the BID boards to have a minimum of 50% members from the private sectors, in addition to the local authority and other key institutional representatives.

Budget: Through £4.6m of Single Regeneration funds from the London Development Agency together with leveraging in a further £7m of private funds over the five year life of the program.

Aim: To pilot the five BIDs and set up a learning network among the five and around the UK - and to shape the BID legislation for the UK.

Identity: To help standardize procedures across the pilot BIDs, while helping them to maintain their own individual identities.

Committees: N/A

Issues Addressed By the Projects Undertaken By the Pilot BIDs:

1. Better Bankside: ‘Greening’, Safety, and Cleanliness
2. Circle Waterloo: Infrastructure/environmental improvements, area management projects, and direct business improvement projects
3. Holborn Business Partnership: Safety and Cleanliness
4. Paddington Circle: Maintenance, Security, Capital Improvements, and Marketing
5. Piccadilly Circus Partnership: Maintenance and Security

Performance Measures: In the process of setting up a formalized system of measuring performance.

Website: http://www.londonbids.info/about/circle_faq.asp

Name: Bloor-Yorkville BIA (Toronto, Canada)

Contact: Briar DeLang, Chief Executive Director

Year: 1986

Type: Non-profit agency

Area Covered: 27 blocks, 350 properties, (2500 businesses). The 27-block area extends from Avenue Road to Church Street, and Charles Street to Scollard Street.

Funding: Special tax assessment on property and/or businesses, and subsidies and grants from government

Board: 11-20; **Percentage of Board Members From Retail:** 25%

Budget: \$1,200,000 (CAN); **Percentage Assessments in the Budget From Retail:** 30%

Aim: Toronto's premiere shopping, dining and tourist district through a focus on beautification and promotion.

Identity: Bloor-Yorkville is Toronto's premiere shopping, dining and tourist district and has been compared to New York's Fifth Avenue and Chicago's North Michigan Avenue. "Retailers are the key draw."

Committees: N/A

Top Activities by Budget Allocation:

1. Marketing - focused on attracting retail (30%)
2. Capital Improvements (15%)
3. Maintenance (15%)
4. Administration

Some Key Programs:

- a. *Marketing and Promotion:* "Sante" –the Wine festival, publications, seasonal festivals, using strong creative design as a part of campaign, and radio advertisements
- b. *Capital Improvements:* Development Framework manual, Beautification projects (Hanging flower baskets project and installation of distinctive blue light poles and granite fixtures on sidewalks, planting trees and greening the area), and currently in the process of negotiating financing for "Bloor Street Transformation project" that proposes to narrow the road to add to sidewalk space to make the sidewalk more comfortable for shoppers.
- c. *Maintenance:* Maintenance contracts with agencies to carry out activities such as sidewalk cleaning, poster and graffiti removal

Performance Measures: Records of BID programs – "Results are based on tangibles and successful businesses."

Website: N/A

Name: Downtown Vancouver BIA (Vancouver, Canada)

Contact: Charles Gauthier, Chief Executive Director

Year: 1990

Type: Quasi-governmental agency

Area Covered: 90 block area / 2319 properties / 895 property owners / 8000 individual businesses

Funding: Special tax assessment of 33.8 cents per \$1,000 of assessed property value, per year, the lowest levy of any BIA in Vancouver.

Board: 6-10; **Percentage of Board Members From Retail:** 25%approx.

Budget: \$1,800,000 (CAN); **Percentage Assessments in the Budget From Retail:** 10%

Aim: To improve the security, improvement and profitability of Downtown Vancouver

Identity: To maintain and enhance Downtown Vancouver as the place to live, work, shop, visit and have fun in a safe environment by developing and initiating innovative programs and promoting the unique assets of the area.

Committees:

- a. Entertainment and Retail
- b. Maintenance and Security'
- c. Marketing and Communications
- d. Transportation and Urban Policy

Top Activities by Budget Allocation:

- 1. Crime prevention and Safety (56%)
- 2. Marketing and Communication (14%)
- 3. Entertainment and Retail (5%)
- 4. Administration (8%)

Some Key Programs:

- a. *Security:* Downtown Ambassadors, Loss Prevention Officers, and Crime Prevention Services (includes Crime Alert Pager program, Crime Prevention Seminars, Security Audits, and Training Sessions)
- b. *Marketing and promotions:* through publications like Guide to Arts Downtown and Your Guide to Christmas Downtown,
- c. *Maintenance:* Beautification and Cleanliness program - 'Best Foot Forward' program, Downtown Clean teams, Street Banners for retail, Hanging flower baskets.

Performance Measures: Customer surveys, Other surveys (membership surveys and survey of mainland residents), and Records of BID programs.

Website: <http://www.downtownvancouver.net/>

Name: Downtown Yonge Street BIA (Toronto, Canada)

Contact: James Robinson, Executive Director

Year: 2001 (took over from a previous voluntary association in the area)

Type: Non-profit agency

Area Covered: 12 city blocks / 213 properties

Funding: Special tax assessment on property and/or businesses, and subsidies and grants from government

Board: 11-20; **Percentage of Board Members From Retail:** 20%approx.

Budget: \$1,670,415 (CAN); **Percentage Assessments in the Budget From Retail:** 54%

Aim: To re-brand the district as Toronto's premiere shopping, business and entertainment destination

Identity: Focus on safe, clean, and exciting place for shopping and entertainment

Committees: N/A

Top Activities by Budget Allocation:

1. Capital Improvements (34%)
2. Security (29%)
3. Maintenance (20%)
4. Marketing (10%)

Some Key Programs:

- a. *Capital Improvements:* Sidewalk reconstruction, spaced granite bays along the sidewalk to brand the area
- b. *Security:* Hired extra security personnel to reduce incidence of crime and increase perception of safety.
- c. *Maintenance:* Cleaning and washing of sidewalks and poster and graffiti removal
- d. *Social Service:* Negotiating financing for program to help employ youth
- e. *Marketing:* Beginning its marketing efforts in this coming year. Has designed logo to capture "entertainment aspect". Waiting for Ryerson University to complete "Retail Study"

Performance Measures: Customer Surveys, Other Surveys (by Ryerson university), and Crime rates

Website: http://www.tedna.com/Downtown_Yonge_BIA.htm

Name: Center City District (CCD) (Philadelphia, USA)

Contact: Michelle Shannon, Deputy Director for Marketing... (Paul Levy, Director)

Year: 1990

Type: Quasi-governmental agency

Area Covered: 120 blocks / more than 2,100 property owners (2,135 retail establishments)

Funding: Primarily by mandatory assessments on taxable properties (Assessed value \$10 to \$400,000), voluntary contributions from owners of tax-exempt properties within CCD boundaries, receives sponsorship income and revenues for diversified fee-for-service activities, and also receives fees for management of other organizations.

Board: 31-40;

Percentage of Board Members From Retail: N/A

Budget: \$12,800,000;

Percentage Assessments in the Budget From Retail: 13.3%

Aim: To promote the city center as an attractive location for entertainment, shopping, working and living.

Identity: Devotes an overwhelming share of its resources to highly visible and effective on-street programs that promote shopping dining, culture, and entertainment.

Committees: Works in conjunction with other non-profit organizations such as the Central Philadelphia Development Corporation and the Central Philadelphia Transportation Management Association to promote the holistic development of the downtown

Top Activities by Budget Allocation:

1. Maintenance (33%)
2. Security (21%)
3. Marketing (13%)
4. Capital Improvements (6%)

Some Key Programs:

- a. *Maintenance:* CCD crews supplement the sanitation services of the City of Philadelphia and ensure that Center City's sidewalks are clean and graffiti-free.
- b. *Public Safety:* Deploys supplementary, uniformed on-street patrols and engages crime prevention professionals, Provides City police with a computerized link for crime tracking and computerized mapping, Runs the Community Service Representative (CSR), and the Demonstration Community Court program.
- c. *Capital Improvements:* Pays the debt service on the 1995 CCD streetscape improvement bond issue, Maintains planters, trees, directional signs and other pedestrian amenities, and Installs banners on light poles and posters in transit shelters.
- d. *Marketing:* Makes use of transit, print and radio advertising (Retail and office business attraction brochures, Newsletters, Brochures, Collateral material and Electronic mail), Deploys two mobile information kiosks, Produces and sponsors, festivals and informational events.
- e. *Social Services:* Provides employment opportunities for formerly homeless individuals and those making the transition from welfare to work.

Performance Measures: Customer surveys, Pedestrian Counts, and Records of BID programs.

Website: <http://www.centercityphila.org>

Name: Times Square BID (New York City, USA)

Contact: Tim Tompkins, President

Year: 1992

Type: 501c3 non-profit agency

Area Covered: 399 property owners (not including residential condominiums). The area covered stretches from West 40th Street to West 53rd Street, just west of Sixth Avenue to both sides of 8th Avenue and all the way to Ninth Avenue on West 46th Street.

Funding: The mandatory assessments are approximately 0.3% of the assessed value of commercial buildings. Residential owners pay \$1.00 per year.

Board: 41+ **Percentage of Board Members From Retail:** N/A (25% guesstimate)

Budget: \$7,000,000; **Percentage Assessments in the Budget From Retail:** N/A (but retail and service sector continues to be the most important sector according to the BID's annual report).

Aim: "Clean, safe, and friendly" for all those who live, work, and visit the area.

Identity: Focus on promoting an exciting place for shopping and entertainment, and investment

Committees: Contracts with the City and with the NYC Department of Transport (DOT) for capital improvements and streetscape activities.

Top Activities by Budget Allocation: (guesstimates)

1. Marketing and promotions (53%)
2. Public Safety (16%)
3. Maintenance (12%)
4. Community Service (3%)
5. Capital Improvements (2%)

Some Key Programs:

- a. *Marketing and Promotions:* Times Square Visitors Center, Events (Broadway on Broadway concert, Taste of Times Square food festival, New Year's Eve program), and Publications (Restaurant guide, Entertainment Guide, Times Square Map) among other things.
- b. *Public Safety:* Public Safety Officers
- c. *Maintenance:* Sanitation workers,
- d. *Community Service:* Midtown Community Court, Community Service program, Neighborhood Enhancement Grants (formerly Community Enhancement Grants) used to create and innovative job training program, Times Square Delivers project, Summer Scholarships for young Artists, YES Commission Summer/ Fall interns, Newsstand Painting Program, and the Times Square Consortium for Homeless.
- e. *Capital Improvements:* Times Square Lighting project, works with the DOT on improving lighting fixtures, contracts street and sidewalk repair and enlargement.

Performance Measures: Customer surveys, Pedestrian counts, and Records of BID programs.

Website: <http://www.timessquarebid.org>

Name: The Downtown Alliance (New York City, USA)

Contact: Jennifer Hensley, Director Intergovernmental & Community Affairs ... (Carl Weisbrod, President)

Year: 1995 **Type:** Non-profit agency

Area Covered: 500 properties approximately. The Downtown Alliance serves the area roughly from City Hall to the Battery, from the East River to West Street.

Funding: Special tax assessment on commercial space. Post 9/11, the BID has also received various grants for rebuilding, most of which has gone toward attracting and retaining retailers Downtown.

Board: 11-20; **Percentage of Board Members From Retail:** 10%approx.

Budget: \$13,200,000; **Percentage Assessments in the Budget From Retail:** N/A

Aim: "It is the mission of the Alliance for Downtown New York to create and promote a safe, clean, live-work, totally wired community, which showcases the nation's most historic neighborhood and serves as the financial capital of the world for the 21st century."

Identity: "Primarily a business district downtown is rapidly becoming a 24/7 live/work community as residential developments increase." Retail is an important as it serves the workers, the residents and the tourists visiting the many downtown attractions. "Post 9/11, we have become increasingly aware of the need for destination retailers and are now trying to attract major brand-name retailers that will further draw shoppers to our district."

Committees: Contracts with the City and with the NYC Department of Transport (DOT) for capital improvements and streetscape activities.

Top Activities by Budget Allocation:

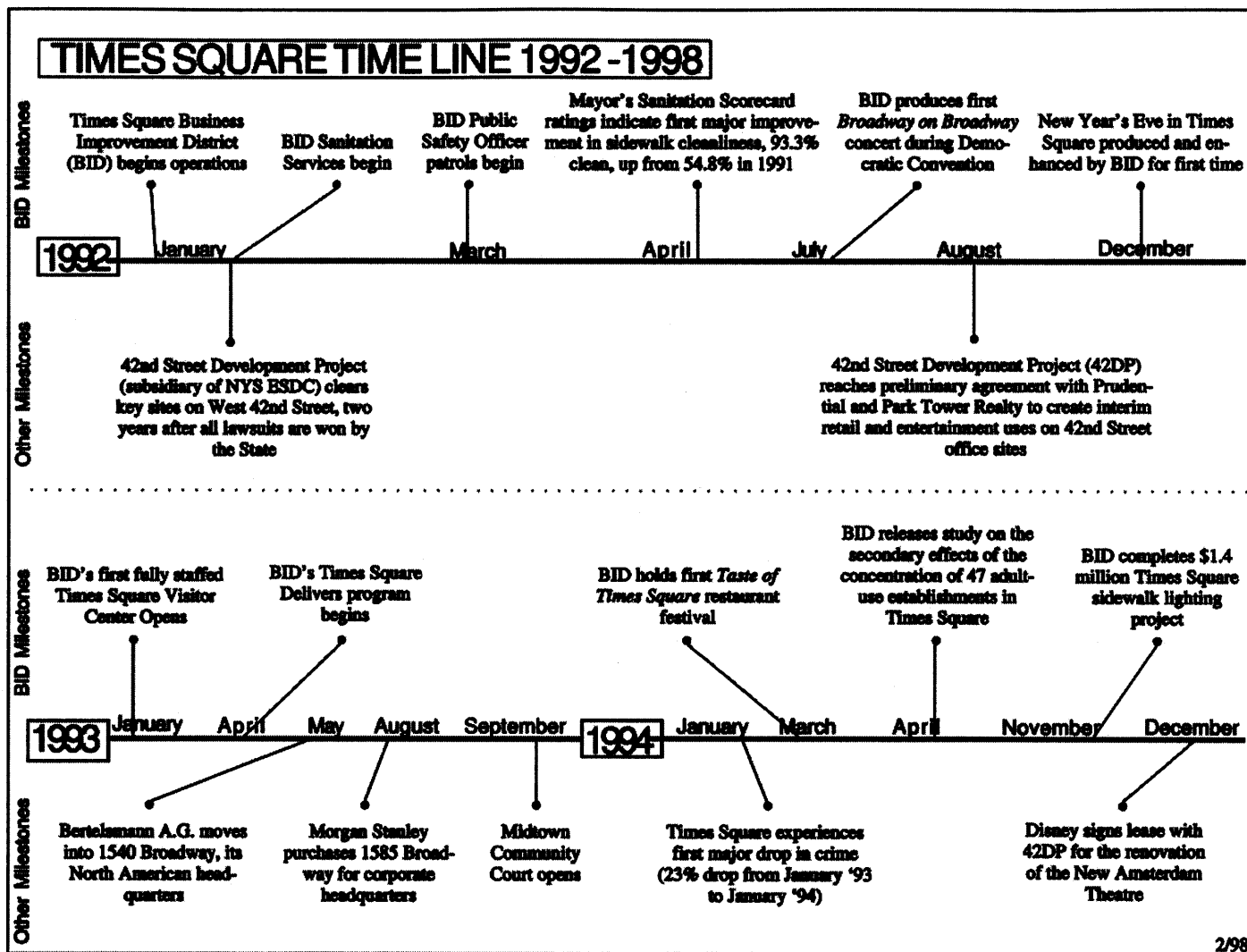
1. Marketing (39%)
2. Capital Improvements (23%)
3. Security (21%)
4. Maintenance (18%)
5. Economic Developments (14%)

Some Key Programs:

- a. *Marketing:* The Downtown Connection - a free electric bus service, Free walking tour, Retail attraction efforts (downtown space finder program, downtown incentives calculator, A new interactive mapping Web site for Lower Manhattan small businesses, and Partnered with Seedco to offer grants, loans, and wage subsidies to small businesses), Publications (A complete guide to business incentives in Lower Manhattan, Retail report, Market survey, Newsletter, Streetscape brochure).
- b. *Capital Improvements and Maintenance:* East River Waterfront Development plan, Reconstruction of all the sidewalks and curbs along lower Broadway and installation of a series of granite site markers in the sidewalks, Installed new light poles and street furniture (trash cans, maps, information kiosks), Put a 'Millennium Park Clock' in the southern corner of newly renovated City Hall Park, and Restored the streetscape in the Stone Street district.

Performance Measures: Customer surveys, Pedestrian Counts, Records of BID programs, and Number of businesses.

Website: <http://www.downtownny.com>



Times Square Time Line - Page 2

